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BULGARIA

Social Democratic Party Position on Privatization

91BA0295A Sofia SVOBODEN NAROD in Bulgarian
6 Feb 91 pp 1-2

[Statement by the BSDP [Bulgarian Social Democratic Party] Executive Council and the BSDP parliamentary group in the Seventh Grand National Assembly: "Position of the Executive Council and the Parliamentary Group of the Bulgarian Social Democratic Party on the Economic Reform and the Privatization of the Bulgarian National Economy"]

[Text] The purpose of the radical economic reform that is to be made in Bulgaria is to eliminate the totalitarian structures in the national economy and lay the foundations for a free socially oriented market economy.

The economic reform in our country is taking place under specific circumstances. On the one hand, the democratization of the political system has not been completed; on the other, the country has entered a period of difficult comprehensive crisis. The drop in production, the destruction of internal and external production-economic and commercial ties, the growing general scarcity, the huge foreign debt, the budget deficit, inflation, and growing unemployment are creating an atmosphere of social tension, which is rising with every passing day.

During these difficult days for Bulgaria, the BSDP [Bulgarian Social Democratic Party] Executive Council and the parliamentary group in the Seventh Grand National Assembly deem it their duty to inform the entire public of their position on the economic reform and the privatization of the national economy in our country.

In our view, the economic reform can be successful only if it is combined with several tasks:

- A monetary reform, in order to provide conditions for controlling goods and the currency, to ensure the maximal elimination of speculative capital from circulation, and to limit the negative influence of inflation on citizens' savings.
- The taking of fast measures to ensuring a state budget balance by limiting and gradually eliminating the budget deficit.
- The lifting of centralized control and the liberalization of prices and income from labor (wages, dividends, and so forth) in order to link them to production costs and labor productivity.
- The elimination of state monopoly and the privatization of the national economy, and the provision of legal protection for the right to ownership by all economic subjects—physical and juridical persons—in order to create prerequisites for the free development of entrepreneurial activities and manpower in all economic subjects, in accordance with price dynamics.
- Social protection of the unemployed and of anyone who is unable to ensure his own support or whose income is below the minimal wage and the survival minimum.
- Convertibility of the national currency in order to link the country's economy to that of the world and to competition on international markets.

The implementation of these tasks must be done simultaneously and be consistent with a well-planned program for action that would ensure the least painful and prompt development of the new economic mechanisms and institutions and after the society has been extensively informed.

On 23 January 1991, Dimitur Popov announced in parliament and to the public the programmatic declaration of his government, in which he summed up the philosophy of the economic reform in Bulgaria. The Council of Ministers is also drafting a broad program for economic reform in all areas and has already undertaken the implementation of the initial steps. The government has passed resolutions on the basic interest rate and the liberalization of prices and the social protection of the population, which marked the beginning of normalizing the commodity-monetary and the monetary-credit markets.

We are aware of the exceptionally difficult situation that is facing the government. The government lost time through the fault of the Andrey Lukanov government, which was unable to implement the economic reform in 1990. Unlike the other former socialist countries, Bulgaria cannot rely on fast outside financial aid. Nor has any new civil and economic legislation been drafted that would provide a legal foundation for the economic reform.

The circumstance that concerns us is that the government undertook the economic reform under the conditions of a state monopoly, with a still functioning administrative-command economic system on which it relied to make the changes.

In Bulgaria, privatization of the national economy was substantially delayed. That is why the new entities of a free market economy have not been established as yet, although they alone can destroy totalitarianism in its last hideout by economic means.

The government is not to be blamed for this state of affairs. However, the start and pursuit of its economic policy include the fear that the heaviest burden of the transition to a market economy will be borne by those who are the least to be blamed for the crisis, the workers.

We believe it is necessary for the government to reassess the priorities of its economic policy and to include a monetary reform in the program for the economic reform, imposing a one-time tax on big property and others, through which it will be possible to distribute equitably the burdens of the crisis and the conversion to a market economy.

Simultaneously with this, the government and the parliament must take quick measures to accelerate the privatization of the economy. Privatization—the revival of private ownership and the economic independence of man and free economic initiative—is the main feature of the radical reform aimed at the development of a market economy and of the entire democratic process in our country. It is the only factor that could decisively and fully lead to a change in the economic system. The right to private property is recognized as the fundamental right of man and the citizen throughout the democratic world. It must be restored in our country, as well.

Throughout its entire history, the social democratic movement in Bulgaria has defended the interests of the producers of goods—workers and owners—in town and country. It has struggled for the combination of labor and ownership that would ensure the high efficiency of the economy on the basis of social partnership and the social protection of the individual. Social democracy has also been the opponent of speculative and bureaucratic capital. It has aspired to a society in which free owners would ensure, through their toil, high incomes for themselves by creating abundance for all. We believe that the privatization that is to be carried out in our country should take into consideration the interests of all strata of society, for which reason access to it should be granted to every person.

A “self-privatization” process is taking place in the country and is assuming threatening dimensions. It is being carried out by two social strata: the former communist *nomenklatura* and the speculative mafia. Profiting from the difficulties of conversion to a market economy and the economic crisis, they are plundering the property of the state to the benefit of their new fictitious companies and are making use of the shortages in order to extract “dirty money.” Initial speculative capital is being accumulated to make a start in a market-oriented economy. The government and the Grand National Assembly must take fast measures to block the plundering of the national economy and to create conditions for a governable and socially justified transition to a contemporary market economy.

A draft law on privatization, formulated by legal experts of the BSDP, was submitted to the Grand National Assembly on 26 October 1990. This draft law proposes the following:

First. Several forms of privatization:

- Transferring the property of state and municipal enterprises by selling it to private physical and juridical persons, on the basis of bids and competitions.
- Restructuring the property of state and municipal enterprises into the property of stockholder companies, which would include the participation of their workers, production personnel, engineering and technical cadres, and employees.

—Converting the property of state and municipal enterprises into cooperatives.

—Restoring the property to private physical and juridical persons, forcibly expropriated through the repressive economic legislation of totalitarianism.

Second. Granting independence to the privatization authorities by the executive powers and instituting reciprocal control through:

—Setting up a central privatization authority, a committee for denationalization or an agency for privatization, appointed by the National Assembly and accountable to it, and local privatization organs—committees or agencies for denationalization or privatization—elected by the municipal councils and accountable to them.

—Apportioning decisionmaking functions in matters of privatization and its implementation. The decisions must be made by the state authorities (National Assembly, Council of Ministers, municipal councils), and their implementation, ranging from accepting requests for privatization to its final implementation, organized by the privatization authorities.

—Adopting a differentiated approach to the targets of privatization, depending on their value. Municipal property worth under 10 million levas must be privatized by decision of the municipal council; state and municipal holdings worth under 100 million levas, by decision of the Council of Ministers; all other projects worth in excess of 100 million levas, by decision of the National Assembly.

Third. Wide publicizing of all procedures related to the privatization of state, municipal, or other enterprises.

We believe that it is only on the basis of said principles that the privatization of the national economy will be accepted by the population because they will ensure the democratic nature of this radical process, which, within a specific historical period, will change the entire foundations of all social life.

Furthermore, in our view, it is necessary legislatively to settle the status of all economic subjects—state economic enterprises and cooperatives. The suggested trade law does not deal with such matters and thereby hinders the economic reform.

The BSDP will give its firm support to the economic reform and the privatization of the national economy if they are directed toward the development of a market and a socially oriented economy that would be the foundation of the future free and democratic society in our country.

CZECHOSLOVAKIA

Nonaligned Activists Applaud Vaclav Klaus

91CH0328A Prague OBCANSKY DENIK in Czech
28 Jan 91 p 6

[Article by Stepan Stibor]

[Text] "I believe that the program of our party, Civic Forum [OF], and that of the Club of Nonaligned Activists [KAN], is basically the same." This was clearly the principal theme with which OF chairman, Vaclav Klaus, arrived on 26 January at the cultural hall of Prague's main railroad station.

The occasion was a KAN political conference, attended by 170 regional KAN chairmen from the Czech Republic, Slovak guests, OF Deputy Chairman Lubor Kinst, Czech National Council Deputy Andrej Gjuric, and a representative of the Confederation of Political Prisoners, an organization which closely cooperates with KAN.

Klaus continued: "You complain that you are not getting media attention, well, I have similar problems. The claim that everything is in OF hands is pure mystification; such matters are in the hands of the Uhls, Kantureks, and others. For example, at an OF Council meeting, we spoke to chief editors of OBCANSKY DENIK and the weekly FORUM. Both insisted that their publications are independent."

Vaclav Klaus then explained that even at his own ministry it is far from simple to get rid of some of the people associated with the old regime, the reason being that there are no replacements for them. "It is not our aim to turn everything upside down, but rather to proceed responsibly and avoid mistakes," stressed the OF Chairman. When at the end of his presentation, he said that the new rightist wing in the OF would please the OF and KAN in equal measure, the hall erupted in stormy applause. KAN delegates applauded him warmly as he was leaving, and the fact that they all rose to their feet shows that they respect him not only as a politician but also as an individual who found time to join them.

The conference commented openly and vociferously on OF-KAN relations. Most delegates from district towns expressed reservations on the behavior of local OF representatives.

There were some 100 suggestions and proposals on the KAN program declaration. These mainly emphasized the need to cleanse government offices, institutions, and enterprises of corrupt managers, to have KAN demands recognized, to publicize a list of staffers and secret collaborators of the former StB, and to henceforth rid public life of all remnants of bolshevism.

Having concluded the animated debate, the KAN conference approved a resolution to the effect that as an

independent organization, KAN is prepared to cooperate with all rightist parties and organizations which have a similar program and observe all democratic principles.

The program declaration which delves deeply into the life of our country, now becomes the basic KAN document, on the basis of which an election platform will be elaborated. Thus, in the next parliamentary elections, KAN will run either independently or in coalition with others. Meanwhile, dual membership in KAN and OF is declared unacceptable.

All participants rejected any plans to move Soviet troops from Germany through our territory.

KAN is a political organization which as far back as the so-called Prague Spring, stood firmly against totalitarianism. By approving its program, KAN seems to be ahead of others, in spelling out its goals which it intends to pursue with determination.

In a strange paradox, already years ago, KAN battled politically against the same communists who, albeit no longer party members, still wield a great deal of influence in the Federal Assembly, the Czech National Council, as well as in government.

Background of Slovak Statehood Demand Explored

91CH0350A Bratislava NOVE SLOVO in Slovak
31 Jan 91 p 14

[Article by Dusan Kovac: "The Roots of Misunderstanding"]

[Text] Czech and Czech-Slovak statehood are two qualitatively different concepts. Yet on the whole they cannot be isolated, separated from each other. In the process of history the older Czech statehood became transformed into Czech-Slovak statehood which thus became an extension of Czech statehood. Next to the twin concepts of Czech and Czech-Slovak statehood there also exists another twin: Slovak and Czech-Slovak statehood. While in the first case Czech-Slovak statehood is an extension of Czech statehood, in its transformation in the historical process we see Slovak statehood arising in its relation to Czech-Slovak statehood always as an autonomous subject. Thus when we talk of Czech-Slovak statehood from the Czech and from the Slovak point of view, we are talking about the same statehood yet one which has two substantively different interpretations. These seemingly complex conceptual relations are the result of the historical process.

Czech Interest in Slovakia

In the final third of the 19th century the issue of Czech statehood emerged among the Czech public as an extraordinarily topical and urgent one. In the Czech political press it was reflected in its most acute terms, became an issue differentiating between political parties,

was seized upon very radically by the young (the new generation movement). The issue of restoring a Czech state had not lost topicality since the White Mountain tragedy, but its extraordinary urgency lay in the context of the then existing political situation in Europe as well as Austro-Hungary.

Of decisive importance for sharpening the Czech question were two events: The Austro-Hungarian settlement and conclusion of the Dual Alliance between Germany and Austro-Hungary. The Austro-Hungarian settlement undoubtedly imposed additional restriction on Czech statehood, even though the degree of centralization in Cisleithania was far less than in Hungary. On the other hand, the Dual Alliance meant a gradual domination of Austro-Hungary by Germany as the stronger partner. Central Europe became a German sphere of influence. This meant a rise of German nationalism throughout Austria but especially in the Czech historic provinces.

Czech politics thus came under strong pressure. German influence in Central Europe created a virtual situation of immobility in the area. For the Czech nation however it was a threatening situation. Under this pressure Czech politics, in one sector particularly, became strongly radicalized. At the same time it was also searching for rational and feasible approaches. One of these was the effort to raise the Czech question before an international forum. Another was to seek allies within the Hapsburg monarchy. It is here that we see the origin of heightened Czech interest in Slovakia toward the end of the last century.

Czech Slovakophiles became pioneers in reviving the idea of Czechoslovak mutuality and cooperation, even though cooperation at that time largely took on the form of the more advanced Czech nation rendering assistance to the threatened Slovak nation. This aid and cooperation took place mostly in the cultural area, even though it is possible to detect in it a rather clear political line. This especially after Czechoslovak Unity took over organizing it and since 1908 in the Luhacovice Czechoslovak consultations. All these aid activities helped create in the Czech community's consciousness a fertile ground from which grew variously modified ideas about joining Czechs and Slovaks in a common unit. Since under the given conditions such ideas were not realistic politically, there emerged various attempts to revive a Czech-Slovak linguistic and cultural unity. One of these was the unsuccessful opinion poll of Czech Slovakophiles with which they approached some Slovak intellectuals prior to the 1895 folkloristic exhibition.

Masaryk's Political Program

It was also at this time that Masaryk was shaping his theory of a united political Czechoslovak nation. Masaryk entered Czech politics with a thoughtful but impassioned critique of false patriotism and radicalism. The goals put before the Czech community by the radical Czech statehood movement—restoration of the Czech state—were capable of stirring up those segments of

society and the press inclined toward radicalism, but could not satisfy a politician thinking in uncompromisingly realistic terms. In the then prevailing international situation Czech statehood was a mere illusion. Surrounded on almost all sides by hostile forces, with more than 3 million radicalized Germans within their own country—this was not a situation offering prospects for the Czech nation to realize its program of statehood *de facto* as well. Masaryk's critique of the empty patriotic rhetoric was a harsh but realistic critique of the entire concept. Masaryk learned of Slovakia's problems from his own experience. He recognized that if the Hungarians succeeded in accomplishing their goal—creation of a unitary Hungarian political nation—and thus Magyarize the Slovaks, the Czech nation would find also its eastern frontier harshly slammed shut. An opening would also offer Slovakia a hope of escaping from the oppressive isolation in their own country. These were the reasons which led Masaryk to formulate a theory of Czech-Slovak political unity. In the existing circumstances Masaryk's program did not call for statehood; rather, it was a political program. Masaryk did not publicly raise issues of a common language and literature and hence was able to count on support for his program from part of the Slovak intelligentsia. For its time Masaryk's program was productive and forward looking, even though based on a faulty axiom—underestimation of the Slovak national emancipation and Slovak national consciousness. For his theory Masaryk found Slovak support especially in a segment of the young intelligentsia—the Hlas and Prud groups—but underestimated opposition to the idea of a Czech-Slovak national unity emanating from the Martin political center, S. Hurban Vajansky, and J. Skultety.

A Natural Alliance

Up to 1914 the problem of Slovak statehood was altogether different. The Slovak nation did not invoke the idea of a lost statehood. It therefore emphasized the natural right of each nation to its language, culture, and a degree of political self-government. The demand for a degree of autonomy found its most precise formulation in an 1861 memorandum when it was expressed as a claim to a Slovak environment within Hungary. This claim was sternly rejected by the Hungarian Government, and Vienna too declined to accept it. In the final third of the last century the situation of the Slovak nation grew worse, as did that of the Czech nation, in consequence of dualism and the Dual Alliance. With German support, the centralizing and denationalizing tendencies characteristic of the Hungarian Government and gentry were strengthened even further. Beginning with Bismarck and ending with Wilhelm II Germany viewed a strong centralized Hungary as a support of the Dual Alliance. For this reason they supported the centralization tendencies even though their victims included not only Slovaks but also the more than 2 million Germans in Hungary. Without this German support the Hungarian Government would have been unable to carry out such brutal oppression of the nationalities.

Thus owing to the very same unfavorable conditions which hampered Czech statehood efforts Slovaks found themselves in an uncomparably worse situation which affected the very roots of their national existence.

It is only natural that the Slovak nation and its representatives sought a way out of this situation. One avenue, truly a purely theoretical one, was to lean on Russia and its liberating mission. This messianism was shared particularly by leaders of the Martin center of the Slovak National Party. Another was cooperation with other nationalities of Hungary denied equal rights—with Romanians and Serbians as it was reflected in the nationalities congress of 1895 and subsequently in coordinated action in certain electoral districts. The Slovaks too sought to present their cause to a wider European public, but for a long time without any notable success. Only after the 1907 bloody events at Cernova did Europe discover the Slovaks. Here too Czech politicians and publicists deserve major credit. Slovaks became the subject of interest also for R. Seton Watson. But these were rather meager results. Most fruitful for Slovaks was cooperation with Czechs. Thus it can be said that an unfavorable international and domestic political situation made Czechs and Slovaks natural allies.

Czech politics remained principally based on a program of Czech statehood while Slovaks settled on a program of autonomy within Hungary. Thus Czech and Slovak statehood issues ran along two distinct lines. The point at which both lines crossed was World War I.

The outbreak of hostilities injected motion into Europe. It raised the possibility that Germany and Austro-Hungary might lose the war. And that would make possible a solution to both the Czech and Slovak question, until then mired in the great power immobility.

The optimum solution appeared as joining Czech provinces and Slovakia in a single unit. This would mean not only escape from a threatening isolation but at the same [time] creating a counterweight to the German population in the Czech provinces.

It was precisely T.G. Masaryk who was best prepared to raise this issue. His program of creating an independent Czecho-Slovak state was not, as is sometimes claimed in literature, a sudden turnabout or a surprise. Quite the contrary: It was a logical culmination of his policy in changed international conditions. The idea of Czech-Slovak statehood promoted abroad by Masaryk soon became the program of most political parties and a platform uniting the Czech political movement.

For Slovakia too in the given situation a union with the Czech provinces in a single state unit represented the optimum solution to the Slovak question. Other alternatives cropped up; of all (an independent Slovakia as an alternative did not exist at that time) the most suitable for the Slovak nation was union with the Czech nation. It gained favor mainly with the Slovak resistance abroad and ultimately also with Slovaks living abroad, especially in the United States (the Cleveland and Pittsburgh

agreement). Slovak political leadership at home declared passivity at the beginning of the war and until 1918 did not make any visible mark toward the outside. But this does not mean that nothing was happening in Slovakia. Uniting with the Czech nation in a single state formation found approval in discussions there even before it was made official at a secret May 1918 meeting at Martin.

Dual Attitude Toward the State

Thus it came to pass that in the consciousness of the Czech nation the birth of the Czechoslovak Republic was accompanied by transforming Czech statehood into Czech-Slovak statehood. A rather different perception evolved among the Slovaks. For them the Czech-Slovak statehood was from the beginning an act of agreement between two sides. Already during the Czech-Slovak discussions in Vienna during the war, as also following the declaration assembly in Martin there was rather open talk about 10 years as a period needed to extricate Slovakia from the Hungarian administration as well as its Hungarian legacy. The formula of a unitary Czech-Slovak nation was not accepted by the Martin assembly as a principle but rather a tactical formulation. Thus on the Slovak side nothing was transformed, nothing expanded. Here the Czechoslovak Republic meant a new, radical transition from the Hungarian to the Czecho-Slovak state. In Hungary the principal demand of Slovak policy was autonomy for Slovakia. Hence it was quite natural that Slovak policy continued along this autonomist line, even though for tactical reasons it did not put forward the demand for autonomy right away in 1918.

So in both Czech and Slovak cases the issue was the same statehood—Czech-Slovak. The issue was one, Czech-Slovak state. But each of the two nations approached this common statehood from a different position. Understanding the difference between these positions is of key importance for understanding what went on in the years of the First Republic—as well as what is going on at present. Many of the conflicts and misunderstandings are in fact rooted in a misperception of this dual attitude toward the common state which did not reflect good or ill will of individuals but rather was given by the objective historical process.

Czechoslovakism and Its Aftermath

The new Czech-Slovak state took deeper roots in the consciousness of the Czech citizen than the Slovak one. This above all in the area of perceiving one's national identity. Through the foundation of Czecho-Slovakia the Czech nation seemingly lost its national, Czech identity and acquired a Czechoslovak identity. Just as the Czech statehood was transformed into Czech-Slovak statehood the Czech national identity gradually assumed the form of Czech-Slovak identity. It was reflected in state and political terms, but also had its national-cultural and ethnic expressions. The Czech nation as a whole was historically prepared to accept the theory of Czechoslovakism. The Slovak nation rejected this theory, although

there were some Slovak Czechoslovakists. Acceptance of Czechoslovakism on the Czech side had in turn a very negative impact on recognizing Slovak distinctiveness. When the prevalent notion was that we are one nation, that we have one—Czechoslovak—language, then there was no need to recognize Slovaks as a different entity. And when Slovaks acted as a different entity it met with misunderstanding on the Czech side. Studying Czech culture in Slovakia was always more of an active and broad-based effort than the other way around. A Czechoslovakist consciousness, which never set deep roots in Slovakia, has its share in this state of affairs.

Similarly, response to some contemporary political decisions and acceptance of a full, authentic federation is fraught with more complexity on the Czech side. The loss of an acquired Czechoslovak identity may indeed have a painful and dramatic effect. The Czech community cannot just effortlessly and without problems pass from accentuating Czech-Slovak statehood to accentuating its own, Czech statehood and then, on top of it, move from accentuating Czech statehood to a new perception of Czech-Slovak statehood. It is a somewhat tortuous and certainly complex process, running at an extraordinarily fast pace and at a time filled with a multitude of other problems and controversies.

The divergence of the roads by which both nations approached their common statehood was reflected also in the fact that Slovakia rejected Czechoslovakism as a theory threatening to Slovak distinctiveness. Under the existing concrete conditions this could not mean a gradual rapprochement of both nations but rather an absorption of the Slovak nation by the much more broadly advanced Czech nation. "Czechoslovak" in this case could not mean Czech plus Slovak but merely an addition to Czech of Slovak end syllables. There was also one important thing which has not been fully clarified to this day. The Slovak nation has its very negative historical experience with the theory of a political nation. After all, the Magyars in Hungary also in principle promoted the theory of a unitary political nation in Hungary. Here and there, as a kind of inducement, they tolerated certain expressions of ethnicity, as was for instance the Slovak Museum Society. Yet behind this, on the surface and according to the letter liberal, theory there lurked a real, brutal national oppression and Magyarization. And this is something to which Slovaks have been extraordinarily sensitive. The concept of a political nation immediately conjures up Hungarian associations here.

The divergence of the roads which led both nations to their common statehood is not the only problem in Czech-Slovak relations. But it points out one fact: knowledge of each other's history is very insufficient on both sides.

Effective Armed Defense of Country Demanded

91CH0330A Prague RESPEKT in Czech 27 Jan 91 p 2

[Article by Jiri Kabele]

[Text] Lithuanians risk their lives in a determined defense of their parliament building, while dead bodies

lie nearby at the television station. Iraqis in the front lines choose certain death if they refuse to fight and will probably die if they do. Such is the situation which prompts us to ponder the price of liberty.

After the Soviet intervention in August 1968, one of my friends—an important politician today—suggested that we go to look for weapons. He frightened me enough to last the next ten years. I had neither the strength to refuse this wild scheme outright, nor the courage to accept. Half paralyzed with fear, I prepared for an act which in the end did not materialize. Dubcek and our other previously interned representatives returned from Moscow. My friend did not find the weapons and I sighed with relief. It is quite natural to fear death, and to resist that fear a person needs a potent reason, as well as enough time to minimize the risk.

Freedom, both as ideal and concrete expression of human communality is primarily a question of morality. Nonetheless, it also has an economic aspect. The price of liberty is a confrontation between rulers and subjects. When people are willing to sacrifice their lives for it, it is the ultimate price. The cost of aggression also rises today. It is difficult and risky—given the realities of contemporary information dissemination—to fire indiscriminately into a crowd protecting a parliament building.

Individual or state sovereignty cannot long be defended any more by scheming and speeches. The will to defend must explicitly be as convincing as the determination of the aggressors.

When our government proposed to reduce the defense budget by 10 percent—and deputies Zukal and Zeman called for even a much greater reduction—I could not cease to wonder. Can we really afford in these uncertain times to resolve the problem of expected losses from the economic reform at the expense of the defense budget? How is our willingness to defend ourselves today viewed by potential enemies? Once in the dim beginning of this century, we expressed our will to fight. Later, however, twice in a row, we gave up with the reasoning that we would lose anyway to the overwhelming superiority of the enemy, thus the cost in lives would be useless. Earlier this year, in the words of President Havel, we proclaimed our determination to fight for freedom this time, yet at the first opportunity we are cutting the defense budget. There is nothing to show that we have a clear military doctrine. The overall climate in our society is distinctly pacifist. The only indication to the contrary was sending the antichemical defense unit to Saudi Arabia.

The short history of our state has taught us that we must not rely on guarantees of sovereignty offered by international agreements and institutions. Sovereignty is not something given us by someone else. In a democratic state it derives from the will of individual citizens. We, the people, must decide in its favor. We must opt for

sovereignty, precisely at a time when we have freed ourselves, along with the other states in East Europe, from domination by the Soviet Union which at this time is trampling the hopes of the Baltic states. Once again, we find that no one—and that includes ourselves—is willing to help them more tangibly than expressions of solidarity.

It will probably also be necessary to reexamine the tempting notion of a painless return to Europe. It again expresses our yearning to belong somewhere, to lean on somebody. What we need instead, as the fundamental source of our sovereignty, is broad popular support for a military defense doctrine. In any attack by conventional weapons, we must have sufficient strength to deter an aggressor by convincing him that we are not easy prey. The people must decide to defend themselves. The government must remain strong in face of extortion. The generals must elaborate a doctrine which does not rely exclusively on assistance from abroad. In my opinion, we should reorganize our armed forces into two components, namely, the professional soldiers and a home guard. As is the case in Switzerland, we would in 48 hours have a million armed men. This would be expensive, but without investment our determination to defend ourselves and our sovereignty will remain open to question.

In contrast to popular belief, the end aim of aggression in international politics is not physical destruction of the enemy, for the aggressor has understandable interest in acquiring the victim in a reasonably good condition. He is satisfied with destroying the opponent's will to resist. In the 20th century alone, well-armed Czechoslovakia has twice exhibited minimum resistance.

The aggressor's soldiers are also not looking forward to losing their lives. Experiences of Israel and, to a certain degree, Yugoslavia and Finland, indicate that, while the proposed deterrent force may not be completely effective, it can nevertheless alter the fate of nations. We ourselves experienced the power of solidarity under overwhelming odds in August 1968 and November 1989. Those are our modern battle experiences. There appears a possibility of happily and painlessly entering the paradise of European states under the shield of NATO. All our past experiences, however, teach us that, while not missing any opportunities, we should remain vigilant in this respect. We do believe that the dream of a united Europe is coming to fruition. Yet, let us be prepared for even the most dire contingencies.

[Editor's note] The author, Jiri Kabele, born 1946, is a consultant to the Czech Minister of Health. A graduate mathematician, physicist, and sociologist, he also does work for the Social Sciences School of Charles University.

HUNGARY

Receptivity to Possible Return of Horthy Remains

91CH0376C Budapest NEPSZABADSAG in Hungarian
6 Feb 91 p 9

[Article by Peter E. Kovary: "May He Rest in Peace—But Where? Views Expressed in Kenderes Concerning the Horthy Family"]

[Text] "Accompanied by two sailors, the captain of a ship paid a visit between Christmas and New Year's Eve. They inquired how I would feel should the remains of Miklos Horthy be returned to his hometown and placed for eternal rest in the family crypt," says Catholic priest Balazs Ivancsics as he relates the story that has preoccupied the community ever since this event took place. Ivancsics added that he had no objections whatsoever. True, Miklos Horthy belonged to the Reformed Church, however, the crypt is also located at the borderline of two cemeteries belonging to the Reformed Church and the Catholic Church respectively.

"Istvan Horthy met his fate in 1942. He was the last one to be buried there," according to village Mayor Mihaly Baranyi, a member of the Smallholders Party. Representing the Association of Hungarian Mariners, proponents of the idea to return Horthy's remains to Kenderes also inquired about Baranyi's views. "Unfortunately, the crypt had been robbed several times, no valuables were left behind. Two years ago Istvanka, the name people gave Istvan Horthy's son in Kenderes, came here from Boston and paid a visit. His wife inspected everything. She was accompanied by a Malaysian princess. He announced that he was not interested in the estate or in the castle, but that he wanted to invest in Kenderes. "Presently, the castle is being used as a home economics training facility, rather than for the training of agricultural machinery mechanics. We would very much welcome such an investment because unemployment also threatens Kenderes. Although the representative body has not yet taken an official position, no one objected to the idea when I informed them of the developments."

Elementary school teacher Mihaly Bogdan had this to say: "Even today, people in Kenderes refer to him as 'His Highness,' despite the fact that 15 years ago, when I accompanied enlisted men from the village, officers asked: 'Well, Comrade Bogdan, how many people with the name 'Miklos' did you bring along?'" Bogdan had served as the associate deputy council chairman of the village for 25 years. He continues to be a member of the representative body as an independent. Without further consideration he will vote in favor of placing Miklos Horthy's remains to eternal rest in Kenderes, because the village may regain its old fame as a result, Bogdan adds.

"This village owes a lot to him," according to Smallholders chairman Kalman Padar, the retired deputy chief accountant of the cooperative. "We can thank him for the construction of the municipal building, the railroad station, the roads, and the post office building. In

Kenderes we had public lighting, running water, and a sanitary bath at a time when virtually nothing of this sort existed in other cities within the county. I dare say that farmhands working at the estate had not been worse off than the present members of the cooperative."

Istvan Rabi concurred with this statement. He served as a farmhand at the estate before serving in the military beginning in 1940.

"He was always among us at harvest time. He talked and joked with everyone."

Pharmacist Geza Vincze moved to Szolnok County from Szeged. He has lived in Kenderes for 15 years now. He currently serves as an independent representative, but he has also been a member of the municipal council executive committee.

"Many nostalgic sentiments are involved in this matter. If I were a member of the Horthy family I would suggest that the regent rest in peace at the Lisbon military cemetery. Considering Hungary's present situation, a manifestation like this could stir up many things both here and abroad. I will abstain from voting if the representative body calls for a vote on this issue. Incidentally, the strength by which Smallholders dominate the representative body is so great that only a broadly based public opinion poll could yield a realistic decision on this issue."

SZDSZ's Peto Details Economic Problems

*91CH0376B Budapest ESTI HIRLAP in Hungarian
23 Jan 91 p unknown*

[Interview with Ivan Peto, Alliance of Free Democrats parliamentary faction leader, by Palma Veress; place and date not given: "Ivan Peto on the Expectation of a Miracle; An Opposition Is Hypocritical Unless It Strives To Acquire Power; We Already Have Begun Doing So...."]

[Text] A mood of demagoguery and miracle expectation prevails throughout the country. The SZDSZ [Alliance of Free Democrats] believes that democracy has been endangered as a result of this situation. We asked faction leader Ivan Peto to explain in more detail what he had in mind when making that statement.

[Peto] At our faction meeting last weekend we performed a political analysis. We found that in the present situation, a significant part of society did not know, and was not even able to understand the sources of its misfortunes and whether these should be attributed to the country's economic situation, or to the government's wavering and lack of direction. In light of the clumsiness that has been manifested and the bad legislation that has been enacted during the past eight months, we have found that a mood of expecting a miracle has become dominant in an increasingly broader stratum of society. People are very much inclined to accept demagoguery,

and to support high-sounding perceptions advanced by loudmouths—ideas which totally disregard the actual opportunities.

[Veress] Is this why you feel that democracy has been endangered?

[Peto] We determined that we were dealing with social problems, not with economic problems. The public is not dissatisfied with certain economic phenomena and with specific steps taken by the government. Instead, on a broad scale, the public raises questions about the entire democratic institutional system. They are turning against democracy itself. We regard this as a serious threat. It is precisely for this reason that we intend to resolve the problems within the institutions of democracy.

[Veress] Deviating from its customs, the SZDSZ is now working on an economic crisis management program. Some people have drawn more daring conclusions based on this change. Could it be that you are preparing yourselves for a transfer of power?

[Peto] An opposition party is hypocritical unless it prepares itself for taking power, but I would like you to interpret this statement benignly. We recognize the conditions of power which evolved in the wake of the elections, even though we realize that the societal support of the ruling parties is smaller than it was in the spring. According to the rules of a parliamentary democracy, a governing majority which acquires power in the course of elections, functions only as long as the conditions of power remain unchanged. Quite obviously, the situation would be different should the cabinet prove to be unsuccessful. It is our duty to prepare ourselves, and even more so, it is our duty to deal with the economic issues because during the past eight months, the present cabinet has failed to provide an economic program. Members of the SZDSZ and people who voted for the SZDSZ demand that we present some kind of an alternative. They demand an answer to the question: What have we been doing? Thus far we have resisted this grass roots initiative because it has not been customary in Hungary for a political party to prepare an economic program, but we have already begun to do so.

POLAND

President's Political Council Takes Shape

*91EP0250A Warsaw ZYCIE WARSZAWY in Polish
26-27 Jan 91 pp 1-2*

[Article by (PAR): "Slawomir Siwek Press Conference: 37 Organizations Applied to the Political Council"]

[Text] The first round of discussions by the President of the Polish Republic and representatives of political parties showed that the plan to form a political council required organizing. At a press conference on 25 January at the Belvedere, Secretary of State Slawomir Siwek

stated that a position had been created in the Office of the President for liaison with parties and social organizations that declared, or expressed an intention to declare, readiness to work in a political council.

Organizing depends mainly on preparing two questionnaires and distributing them to interested parties; the first is in the nature of a census (defines the group, number of members), and the second is substantial and contains four questions on the subject of the composition of the council, the forms of its activity, and its future (should it also act after parliamentary elections or should it be granted constitutional status and, eventually, with what prerogatives).

At the moment opinions are being collected by phone. On 22 and 23 January, 37 organizations that want to participate in the work of the council responded. Private individuals also made suggestions.

The following organizations are among those that took advantage of the telephone link with the Office of the President: European Culture Association, Neutrum Society, League of Women, the Republican Party, the National Party, Committee for Protection of the Unemployed, and the National-Liberal Movement.

The president also received 43 letters from individuals with whom he had spoken earlier with opinions on the subject of organizing a political council. The majority believe that a council should be formed: this is the position of the Social Democracy of the Polish Republic, the SD [Democratic Party] Deputies Club, the Union of Socialist Polish Youth, and the Christian-Social Union. The Polish Socialist Party refused to participate, and negative opinions were expressed by members of ROAD [Citizens Movement—Democratic Action] (Bronislaw Geremek and Adam Michnik). Therefore, we may say that opinion is divided.

Slawomir Siwek believes that many reservations are based on a misunderstanding of the concept of forming a council that would act exclusively as an advisory and consultative body and would not infringe on the competency of any constitutional organs. (Slawomir Siwek stressed this many times). The goal of the council would be to provide to the president opinions on public attitudes, on the status of political groupings (including those without parliamentary representation), and on the most important social, political, and economic problems, and an exchange of information.

During his election campaign, Lech Walesa stressed many times that he would like his government to be open to all, and this council is intended to serve this purpose specifically. This is also the purpose that Slawomir Siwek's department in the Office of the President of the Republic of Poland is meant to serve; it includes the office for cooperation with political parties, government, parliament, churches, and trade unions.

The journalists were interested mainly in what the attitude of the largest political groups was toward the

government (Center Accord has agreed on "yes," others have not yet definitely refused), and how the council can be formed if political groups and social and trade organizations (for example, the Association of Patent Agents) express a desire to participate in it.

Slawomir Siwek is of the opinion that the council should be political in character and this would define who could participate in it. At the moment there is no clearly defined conception of this body although, as the secretary of state said, the entire matter is gathering momentum and some decision should be expected soon.

Parties Prefer Spring Parliamentary Elections

91EP0262B Warsaw RZECZPOSPOLITA in Polish
28 Jan 91 p 2

[Article by Jan Rogala: "When Will the Elections Be Held and Under What Rules?"]

[Text] On the anniversary of the first free elections in interwar Poland (1919), 26 January, a joint meeting was held in Warsaw by the Union for Real Politics, the Christian-Democratic Labor Party, the Malopolska Alliance for Independence, the Conservative Party, and the "Agreement Above Division" political club.

These groupings take the position that postponing the free parliamentary elections is against the Polish *raison d'etat* and national dignity. The road to the Third Republic leads through free elections which will thus conclude the post-Yalta period in Poland.

Some of the declarations made at the meeting are quoted below:

Wladyslaw Sila-Nowicki: "In many other countries of the [former socialist] bloc free elections have already been held. Poland is among the last. The elections should be held as soon as possible. I am in favor of objective electoral rules and opposed to rules that would be convenient to those who want to remain in power."

Czeslaw Bielecki: "Neither a constitution nor electoral laws can be created in a country that lacks statehood. People speak about restructuring the state, but it is not possible to restructure something that is not there. This was proved by the year past. The elections were rapid and the electoral rules clearly favored majority vote, with the smaller parties having to survive by forming alliances."

Robert Bodnar: "The elections should be held as soon as possible and the electoral rules should favor majority vote."

Stanislaw Michalkiewicz: "The state should be strengthened through free elections, with electoral laws favoring majority vote, thus forcing groupings with similar outlook to merge."

Krzysztof Rafal Gorski: "To achieve domestic stability, elections should be held as soon as possible. Domestic

stabilization will make it possible to withstand external threats. I am in favor of majority-proportional vote."

Romuald Szeremetiew: "For the state to function normally, rapidly conducted free elections are needed. In the presence of majority vote, smaller groupings will be forced to form coalitions."

Wojciech Ziembinski: "I am in favor of convening a constituent assembly as rapidly as possible, as was the case during the Second Republic. Majority vote with a threshold will assure adhering to the principle of supremacy of the nation."

The groupings present at the meeting voiced different opinions as to the principles that should govern electoral laws. But they all agreed as to the timing of the parliamentary elections: this coming spring.

Poll on Parliamentary Election Preferences

91EP0250C Warsaw ZYCIE WARSZAWY in Polish
26-27 Jan 91 p 2

[Article by (B.Dr.): "Elections and Election Regulations in OBOP [Center for Research on Public Opinion] Soundings"]

[Text] "When should the elections for the new Sejm be held?" was a question asked by the Center for Research on Public Opinion [OBOP] in a January poll of 1,000 persons in a random sampling representative of the majority of adult Poles.

As soon as possible, even in the first quarter, responded 37 percent of those asked. No later than June was the response of 23 percent. By the end of the year, was the variant chosen by six percent. Even later, accounted for three percent of the responses. The rest had no firm opinion on this question.

It seems then that the greater majority of the public, 60 percent, speaks for elections in the first half of this year and those favoring a later date account for scarcely 10 percent.

The next question in the poll was: "In the next parliamentary elections, should proportional, majority, or proportional with the so-called five-percent threshold regulation be applied?" Sixteen percent favored proportional with the threshold, 24 percent favored majority. And again, a large proportion of respondents, 32 percent, had no opinion in the matter.

From the answers to this question, it is apparent that public opinion on the subject of the nature of election regulations is definitely divided.

Geremek To Lead Opposition Parliamentary Club

91EP0250B Warsaw GAZETA WYBORCZA in Polish
25 Jan 91 p 2

[Article by em: "Geremek Leader of the Sejm Opposition"]

[Text] On Wednesday, Bronislaw Geremek became the chairperson of the Democratic Union [UD] Parliamentary Club (39 for, none against, one abstention). Zofia Kuratowska and Michal Chalonski were elected deputy chairpersons.

The club resolved to form a group to analyze the decisions of the Office of the President from the point of view of their concordance with the law.

In the course of discussion, Geremek presented his evaluation of the political situation in Poland.

The Shape of the Country

It is disquieting that a concentric model of authority is being formed with the presidential center as the basic element of executive authority. Statements of some representatives of presidential authority "disturb our understanding of legal status."

Asked for an example, Geremek cited the statement of the chief of the Office of the President that his department is a counterpart of the office of deputy prime minister. He [Geremek] emphasized that in speaking of disturbing manifestations, he had in mind the Office of the President, and not the president personally.

Time of Elections

The proposal to defer elections, and that for a long time, now has a greater chance. Geremek recognized the fall date as uncertain. Without taking into consideration the intentions of the president, his view on the need to delay elections may find support in the parliament.

When parliament is not fully legitimized, the center of power moves to the president. This kind of ad hoc situation is dangerous for the country.

The Constitution

The form of government may be defined only in the constitution. In February, a Sejm commission will finish work on its draft; the political problem remains, which parliament should adopt it.

Social Tensions

Tensions have been "deferred." The Central Office of Statistics informs us that living conditions of retirees have deteriorated most, and those of the village population, least. Meanwhile, retirees are powerless and farmers are protesting.

Geremek said that in politics, psychology is more important than numbers. One must know how to "use politics to counter" social tensions.

During the discussions, Jacek Kuron demanded a correction of Geremek's statements on the situation of retirees. In his opinion, average retirement pay rose by 10 percent in comparison with the average wage.

For the opposition, being on the side of those who demand money is a temptation, but this is unfair. Kuron stressed that we should support the government. He chided Geremek with the fact that in his speech in the Sejm two weeks ago there were overtones that might leave an impression of revindication.

Kalisz Jewish Cemetery Issue Reviewed

91EP0261A Warsaw RZECZPOSPOLITA in Polish
22 Jan 91 p 3

[Article by Aleksandra Fandrejewska: "Somebody Must Make a Decision"]

[Text] After a hiatus of one and one-half years the school director was to calm down, the walls were to cease crumbling, the pipe in open diggings was to stop rusting, and the trenches were to be filled in. Precisely on 15 January the KALIMET Kalisz Factory of Spare Parts for Textile Machinery and Metal-Casting Installations was to resume installing a heating main running through the old Jewish cemetery.

On the eve of that date, however, the city's mayor was notified by the Ministry of Land Use Management and Construction that the voivode is once again going to reconsider the site of that project. The installation operations did not begin.

These operations were once before suspended in the summer of 1989 for two reasons, according to Mayor Wojciech Bachor, the government's decision to suspend investment subsidies in general and the protests of the Jewish community.

The "Old" and the "New"

There is no Jewish community in Kalisz and few of the city's inhabitants admit being of the ancestral faith, because only a few of the 30,000 had survived World War II. To be sure, municipal archives are increasingly explored by young people searching for proofs of real estate ownership 50 years ago.

Properly speaking, no traces of Jewish culture exist in Kalisz itself. That culture has an 800 years old tradition. The son of Mieszko the Old leased in 1186 a mint to Jewish minters. In 1287, in return for fees paid in pepper and saffron, the local Jewish community was given a site for a cemetery. That cemetery survived until World War II, although by then it was no longer a site for new burials. Therefore, it was called "old" to distinguish it from a "new" one. The Hitlerites demolished the former through the labor of British prisoners of war, who used

the cemetery's tombstones as lining for the Prosný Canal. After the war there was an unpaved square. The "new" cemetery survived in a fragmentary state, without a fence and without security. A building standing within it was turned into an apartment building and children played on the gravestones and local inhabitants termed the area "the Little Park." It was only a few years ago that the authorities fenced this landmark off and began to care for it.

The "old" cemetery (in Czażki Borough) first became the site of four apartment buildings and a first-aid station, and later the Janusz Korczak School and Training Center, a vocational boarding school for mentally retarded children, was transferred there. In the summer the children and teachers cultivated the area, planting trees and building a soccer field and a running track. There were no protests from the world Jewish community.

The name "the Old Jewish Cemetery" by then survived only in public awareness. There was no such notation in city plans. Under the Law on Cemeteries and Internment of the Dead, 40 years after the last internment the area of internment may be designated for other purposes. That, then, was the decision taken in 1987 by the then deputy mayor of Kalisz when approving the installation of a heating main that was to run across the soccer field, that is, across the cemetery.

Three Dimensions

It so happened that more or less at the same time the Nissenbaum Foundation excavated from the river bottom 1,500 marble and sandstone slabs which it had placed in the new cemetery in the spring of 1989. The director of the center was the first to protest, in June 1989. He categorically demanded of the investor that the profanation of the remains of the cemetery be stopped. He wrote, "Human bones are being dug up," and asked that they be secured. This is the first, the human, dimension of the affair.

Docent Wilsztain of the Religious Association of the Mosaic Persuasion declared that the Association's view is unchanged. It ensues from the principles of the Torah. For all time, no one and nothing may violate the sanctity of a Jewish cemetery. Unlike in other religions, the collection of remains and their transfer to another site is impermissible.

Kalisz was visited by rabbis from New York and Israel: Zvi Kestenbaur, Schmied Anshin, and Jutko Wsky. The Kalisz Jews living in Israel had protested. Telephone calls were even made to the home of Mr. Banach. Letters arrived at his home address. The Jewish community demanded an immediate cessation of construction and the filling-in of the excavations. Hence, KALIMET and the municipal authorities should explore a different route for the heating system. This is feasible. Two methods have even been devised: aboveground construction or asking the owners of nearby private parcels of real estate to make land available. But the question of who

will pay for this elicits the greatest doubts. This is the second, the economic, dimension of this affair.

The investor has so far spent 380 million zlotys (in 1989 zlotys). The discontinuation of the construction and its relocation will multiply this expenditure. The factory cannot afford such a luxury, the more so considering that in the future it is scheduled to utilize only 13 percent of the heat, with nearly 80 percent going to privately owned houses in downtown Kalisz. If it applies for a change in project site, it will have to pay all the expenses. To be sure, the original site decision was made by the city hall, and if it itself changes that decision then, under law, KALIMET may charge the cost to the city. But the city is too poor for that.

There also exists a third dimension, which is little discussed. As recently as last summer the school director had reported that the lightning protectors and rain gutters were destroyed because the excavations had been made at a distance of literally one meter from one-story school workshops standing on, as it turned out, weak foundations. The sandy soil collapsed here and there and the buildings now stand askew. Last November the school asked a geotechnical expert to investigate and he recommended that the excavations should be immediately filled in and new rain gutters and drains installed. Director Sikorski is impatiently awaiting for these measures to take place, also because the losses thus sustained cannot be reckoned in financial terms alone, since, for the second year in a row, handicapped young people, for whom rehabilitation of mobility is highly important, have no place to exercise in on a year-round basis other than the gym room; the soccer field is covered with excavations, concrete slabs, and dozens of fallen tombstones transported thereto by the Nissenbaum Foundation from the New Cemetery, which once used to stand in the Old Cemetery. They have been thrown down in three places and are decaying. They serve the children from a nearby elementary school as a recreational area, for climbing purposes. The children are unaware of the nature of these gravestones, although their school is located some 500 meters away. They are not even aware that Jews once used to live in Kalisz. The young people from the boarding home will know this perfectly well, because a memorial obelisk, surrounded by the gravestones, is to be erected on the sole undestroyed green-sward in the area.

Documents Play Tricks

Last October Jacek Ambroziak, chief of the Office of the Council of Ministers, dispatched to the voivodes a circular letter presenting the government's position on the inviolability of Jewish cemeteries. He placed them under the obligation of showing personal interest in disputed issues concerning this matter. Last August the Kalisz Voivode was requested by the Nissenbaum Foundation to change the site of the construction, but he upheld the earlier decision. The square is not included in the roster of cemeteries, and it is not designated as a protected landmark either. The voivode asked the

opinion of the Office for Religious Affairs under the Office of the Council of Ministers and the Ministry of Land Use Management and Construction. The former shared the voivode's opinion that the construction should be continued, while the latter did not reply at all.

Mayor Wojciech Bachor tried to find another solution. The Voivodship Planning Office had allocated more than 200 million zlotys for the city's needs, and that amount, plus the fee owed by KALIMET, would suffice to complete the construction. The deadline of 15 January was fixed. But a day before that deadline Mayor Bachor received from Zygmunt Nissenbaum a copy of a ministerial decision. The original has not arrived in Kalisz yet, although that document is dated 31 December 1990. Wojciech Bachor was astonished to read that the Superior Administrative Court in Warsaw issued a ruling on this matter and, what is more, it questioned the siting of the construction. No copy of that ruling ever reached Kalisz. No department of the Warsaw court has attended to this matter, and the signature is that of a Poznan court. Mayor Bachor claims that the above-mentioned ruling applies only to the litigation between the investor and the owners of private real estate parcels.

Deputy Voivode Eugeniusz Malecki decided that the Office for Religious Affairs would be asked to resolve this issue.

"We don't want to hurt anyone's feelings, but the financial question remains unsolved," said E. Malecki.

The Office has prepared an updated draft of the Law on Cemeteries.

Antoni Czohara explained, "The existing laws make no allowance for deep humanitarian considerations. We would like in the future to make the designation of particular sites contingent on the consent of the religious association concerned."

National Security Council in Planning Stage

91EP0262C Warsaw ZYCIE WARSZAWY in Polish
25 Jan 91 p 1

[PAP [Polish Press Agency] article: "National Security Council Is Being Formed: To Be Chaired by the President"]

[Text] "Seen from the formal-legal standpoint, the concept of the National Security Council is accommodated within the framework of the powers granted by the Constitution to the National Defense Committee," declared Minister of State for National Security at the Chancellery of the President, Jacek Merkel, during a meeting with Polish Army personnel.

The name of the new council reflects its actual meaning and significance. It is recognized that the KOK [National Defense Committee] has had bad publicity and its appellation does not comprise the whole of the problems of

national security, which is being menaced not only by war but also by, say, terrorism or a dangerous alignment of forces around Poland.

It is expected, J. Merkel declared, that the chairman of the council will be the president, with the first deputy chairman to be the prime minister and the other deputy chairmen to be the minister of justice (a KOK member), the minister of national defense, and the secretary of the council—a post that is scheduled to be held by the minister of state for national security. The members of the council would be: the minister of internal affairs, the minister of finance, the chief of the Chancellery of the President, and the chief of the Office of the Council of Ministers.

The executive body of the council would be the office of the council, directed by the council secretary. It would include, among other things, a military department cooperating with the armed forces and assessing the situation within the military.

An important element is to be a team that would prepare for the president and the prime minister assessments and forecasts of domestic and foreign situations. An advisory body under the council secretary, holding sessions as the need arises, is also envisaged.

The principal purpose of the council is to define government policies on national security affairs in situations of domestic and foreign threats and needs for defense.

ROMANIA

Draft Law on Citizenship Criticized

91BA0349A Bucharest ROMANIA LIBERA
in Romanian 22 Feb 91 p 2

[Article by Florin-Gabriel Marculescu: "An Undemocratic Provision in the Romanian Citizenship Law"]

[Text] Both houses of Parliament recently ended debates on a draft bill on Romanian citizenship, and the text adopted will be submitted to President Iliescu to promulgate. Once again we are faced with a law that anticipates and elaborates constitutional principles that are unfortunately still embryonic and that only last week began to be examined with notable delay. This statement requires a short digression.

As is known, many of the laws recently adopted are deliberately and sometimes annoyingly getting ahead of the theses of the Constitution. In other words, the natural order of things has been reversed. Such order was, however, imposed and greatly justified by the requirements of the economic reform, whose implementation cannot be indefinitely postponed. However, there are situations in which the legislative acts could have waited for the Constitution to be adopted without any loss—because however hard we may try, the legislative avalanche cannot provide solutions for basic problems such as the form of government. On the other hand, it

does generate the more than theoretical risk of discrepancies between future constitutional provisions and those of the ordinary laws adopted in advance. We already foresee a need to verify the constitutionality of both the enacted laws, and those that will be proposed before the enactment of the fundamental law, which should occur around March 1992. In view of these special conditions we believe that the draft bills submitted to Parliament must be conceived so as to be in as much harmony as possible with the new Constitution, while the latter must be structured in accordance with the traditions of our true history, with the legal consequences of the anticommunist Revolution of December 1989, and with the international conventions to which our country is or will become a party. And last but not least, with the obligations assumed by the recent signing in Paris of the Charter for a New Europe, under which we pledged to build, consolidate, and strengthen democracy as the only system of government. Among many other things, this system obligates us to recognize that the basic human rights and freedoms are inherent to all human beings, are inalienable, and guaranteed by law, and that one of the primary responsibilities of governments is to protect and promote them. Having ended the digression, let us return to our point of departure, i.e., to the Romanian citizenship bill.

We are now better able to understand why the link between that bill and our international obligations cannot be ignored. The bill is generally well balanced and meets the above-mentioned requirements. However, it also contains a sore point. We are referring to Article 25, point "a," according to which: "Romanian citizenship may be withdrawn from persons who commit very serious deeds abroad which are damaging to the interests of the Romanian state or to Romania's reputation." Illogical in itself, this wording blatantly contradicts international regulations that cannot be ignored. At the same time, the extremely vague wording leaves room for many kinds of abuse, because the interpretation and implementation of the text will depend on the whim and on the political leanings of those in charge of applying this law. This is a justified fear as long as our political and social landscape remains dominated by mentalities specific of a totalitarian system of which we have shed only the superficial layers. In contrast, what do international regulations envisage? Let us begin with Article 15 of the Universal Declaration of Human Rights: "Every person has a right to a citizenship. No one may be arbitrarily deprived of his citizenship, nor of the right to change his citizenship." The practical application of these two principles is echoed in the convention on the status of stateless persons sponsored by the United Nations and issued on 6 June 1960, according to which a state may not strip any person of their citizenship if in so doing the person in question becomes stateless and—*nota bene!*—not on racial, ethnic, religious, or political grounds. These are norms of international law that cannot be ignored even if Romania has not yet signed this convention. With the way our text is worded, what is our

guarantee that someone may not be stripped of Romanian citizenship on any of the above listed grounds? However, it is clear that these grounds can easily be concealed behind the screen of "damaging the interests of the Romanian state," or "Romania's reputation," both collocations being arbitrary by nature.

We are aware of the fact that texts from Romanian law dating back to 1924, and especially 1939, and from the legislation of other countries like France and the United States, were cited in support of the article in question. Thus, it was said that French law provides for withdrawing a person's citizenship in cases of disloyalty clearly and cumulatively evidenced by: a) Actions incompatible with the status of a French citizen and apt to b) damage French interests and c) benefit another country. In our opinion, the French law is not remarkably clear, either. Anyway, the triple condition makes it more difficult to expose the withdrawal of citizenship to the same arbitrariness that our law favors.

We also note that the bill passed in our Parliament does not seem to have been correlated with the constitutional theses either, from which we quote: "No Romanian citizen may be deprived of this status"—in other words—of his Romanian citizenship. The topic was elaborated by university professor M. Deleanu before the Constitutional Commission in very wise words: "However serious a person's offense, and however deserving of punishment, banishing that person outside our city walls cannot be justified, in our opinion, because citizenship is not merely a legal link, but also a genetic link impossible to destroy by legal verdict." We believe that the text needs to be urgently revised in the spirit of these generous ideas before the citizenship bill is promulgated. The current procedure allows for such amendment in process, thus protecting us from being put in delicate situations internationally. And let us not forget that resolving this issue is undeniably in the interest of our conationals throughout the world.

Bishop Tokes: Hungary Does Not Want Transylvania

91BA0306A Bucharest ROMANIA LIBERA
in Romanian 6 Feb 91 p 5

[Interview with Bishop Laszlo Tokes by Ioan Vistea on 11 January 1991; place not given: "I Expect the Whole Country Not To Settle for Trifles"]

[Text] [Vistea] Bishop Tokes, for more than a year now, we have been able to examine the difference between illusion and hope. In this respect, how do you see the year that has ended?

[Tokes] It is already evident that the revolution has diverged from its meaning, that it was wrenched away in a sense. And the process is continuing. In my opinion, the success of this dishonest attempt does not hinge solely on those who have profited from our revolution, but on us as well. We have to be realistic; I don't agree with those who say that the revolution has failed, that it

is futile to do anything about it, using as an example the hundreds of thousands of people who leave the country disappointed by all that followed. In the dialectic of my faith, the greater the obstacles that face us, the more strongly we must fight to overcome them. I expect the whole country not to settle for half-completed results or for trifles. We must aim at a complete transformation of society.

[Vistea] In reading the interview in CORRIERE DELLA SERA, I was struck by a question: I found nothing in it about the incitement to violence of which you have been accused. What is the reason for denying the authenticity of that interview?

[Tokes] Half-truths are more harmful than lies. I perceive a very clear intention to discredit me in any way possible, just as the former regime attempted to do by saying that certain hooligans and foreign agents are organizing a revolt against communism. I did not organize then, nor did I boast of being a revolutionary. I acted according to my faith and with the methods of a priest, that is, by using the word. I certainly maintain that we need a second revolution, but not in the sense of organizing to spill blood. I disavow the statements being made about me, that I might be maintaining relations with terrorist forces, or anything else of that nature.

[Vistea] But you did grant that interview?

[Tokes] I granted many interviews. I can't even remember who was here during the past year. I think that the Italian journalists were among those who interviewed me during the summer, but it is certain that a reporter like that did not introduce himself or it's possible that I don't remember him.

[Vistea] I don't think the reporter can be faulted as long as the interview does not, I repeat, indicate the intention to provoke violence.

[Tokes] It does not indicate it, but it does present me as a spokesman of the people, as a revolutionary, which I am not. I see it as a problem of vocabulary and of expression. Let us now instead discuss, not the second revolution, which could be misinterpreted, but rather the continuity of the revolution, the transformation of society, which is something I support.

[Vistea] After the revolution, intolerance and renewed nationalism and chauvinism in Transylvania and Hungary were unleashed in forms so extremist that they were unknown even during the Ceausescu era. What are their motivations, and how deep or superficial are they?

[Tokes] I consider that all differences between Romanians and Hungarians are totally artificial. I have the feeling that the wave of a political wand has unleashed a long string of animosities between Romanians and Hungarians in our country. I believe that this was very well prepared in advance. I maintain that the Hungarians, whom I know very well as their priest, are without blame. It is true that during December and January we

were restless and impatient, but we were not alone; the whole country was impatient for change, for the coming of a new world. We had no hostility toward Romanians and I believe that the Securitate is behind these manipulations. The entire phenomenon is devised by the Securitate, by the "Hearth," because I am not thinking of the actual cultural association as such, but of the other one. I consider that the Romanian Hearth is an extremist ally of the right or of the left which maintains and renews this discord among us. There has always been a scenario; and considering that Transylvania is the most sensitive point for Romanians and Hungarians, this is the area for the provocations.

The subject of Bessarabia was introduced subsequently. I believe that Bessarabia and Transylvania can be kept within the country, can be reintegrated within the country's borders, only through a true democratization of the country. If our country remains in its former condition, the Bessarabians and Bucovinians will not want to return. It is ridiculous to say that Hungary wants Transylvania with its 6 million Romanians. What for? To become once more a country whose population is half Hungarian and half other nationalities? This cannot happen in our day; no more than irredentism and the manner in which it is professed and theorized. I don't deny that there are cliques such as "The Holy Crown," some small groups in America, obsolete minds with whom I have had many unpleasant discussions and confrontations. But that is not the predominant attitude of the Hungarian population in Romania, nor of Hungary's politics. However, I do believe that appeals to this nationalistic sensitivity are deliberate, to divert attention from real problems and from democracy. It seems that all day long there are those who say "Look around you, people, you are getting nowhere with democracy, you need us, you need the SRI [Romanian Intelligence Service], Iliescu, and the present government."

[Vistea] What do you believe are the arguments which can convince the Hungarian population in Romania that the ideal of cultural freedom is not identified with nationalism?

[Tokes] In order to convince, I think we need a system of mutual communication. I assure you that if the representatives of the Hungarian population in Romania could, for instance, have one hour on TV...

[Vistea] A day?

[Tokes] No, a week!

[Vistea] But there already are several hours of air time per week in Hungarian. In fact, very well produced broadcasts, in my opinion.

[Tokes] Yes, but they are general interest broadcasts. If we could conduct round table discussions one hour a week, face to face with Romanians, I am sure that we could achieve very good results. But right now, it looks like a dialogue between deaf-mutes. I can't even defend myself. I make some statement or other for instance, and

the next day the local PHOENIX is already interpreting it. The Oradea PHOENIX is in fact known as the anti-Tokes paper because it is oriented against me. The Romanian readers do not have access to information from the other side. Even if the press is poor and distorts the truth, it should be possible to respond, despite the fact that the first statements usually play a decisive role and are difficult to change. Television must become such a forum of correct and impartial information by offering equal opportunities for communication. Otherwise, even in trying to correct various misrepresentations, I often find myself outdistanced by events.

[Vistea] Could you give us some details of the ideas and content of your book, *With God, for the People*.

[Tokes] It is a sort of transcribed autobiography, published in England and now also coming out in various countries. It is a sort of story of my life and of the events associated with Timisoara. You probably know that the book was criticized in the ROMANIA LIBERA newspaper. Again, I find myself somewhat wronged. What do I mean by that? The introduction was disparaged, but I did not write it. I didn't even know what it said. In fact, I have not even read the book, while I am being condemned for a text which does not belong to me. Quite simply, whether I agree with the text or not, I was not familiar with it. I'm very sorry, but I would not have written that introduction even if I do agree with some of its statements. It states, for instance, that Transylvania was subjected to Romanization; yes, I do maintain that it has! That demographic processes have taken place; yes, they have! Twenty years ago, Oradea's Hungarian population was in the majority; today it no longer is. But I would not have raised that point because it is misunderstood once more. Thus, I do regret the introduction of this preface regarding Transylvania. In the book, you can see that I did not raise the point. It is not my major issue. For me, the most important thing is our social life, the harmony among nations on this Earth, and no more. Anton Uncu, whom I know as a very objective man with a friendly attitude toward Hungarians, therefore reproaches me in vain for not having adopted a position before attacking me.

Had I read the introduction, I could have published a position statement, but I repeat, I did not read the book. I didn't have the time. I knew I had taped the text of the book and that it would be published sometime. That's why I did not think about this criticism ahead of time. The same is true for CORRIERE DELLA SERA. Vacaru launched his attack before the translation was even printed. But coming back to the revolution and counter-revolution, I see that the Securitate is in full offensive. At one time the Romanian people was an ally, but now they are poisoned against me and those whom I represent. And I am not alone. All the prominent representatives of the opposition are shamelessly slandered. Yet I believe that in the context of international life the counterrevolution does not have a real chance for success. It is true that a lot depends on the Gulf crisis and on the situation

in the USSR, but I believe that the people in this part of the world are readier to die than to accept the restoration of communism!

Free Exchange Party Leader Interviewed

91BA0313A Bucharest ADEVARUL in Romanian
1 Feb 91 p 2

[Interview with Prof. Stefan Cazimir, president of the Free Exchange Party, by Andrei Alexandru; place and date not given: "A Few Words About the Free Exchange Party"]

[Text] Free Exchange Party?! The name makes us think of Caragiale, but since political life cannot be a comedy, we begin to wonder: For what rights does this party militate? And the answer is: the right to discuss problems which others prefer to keep silent, the right to not always be right, the right to doubt what appears to be unanimously accepted, the right to believe in the power of a smile. According to this list, the Free Exchange Party seems to concern itself with ecology in the moral arena, and to have found a spiritual incentive: the smile. But let us hear from the witty professor of letters, Stefan Cazimir, the president of the party.

[Alexandru] What is your party's orientation?

[Cazimir] We are a party of the center, in that we want to become a center of reason, amiability, and balance.

[Alexandru] How many members do you have in Parliament?

[Cazimir] One, and he's good (reporter's note: it is Stefan Cazimir himself). We consider even this to be encouraging, because we have had very little time to become known by the public. We actually submitted electoral lists in only 26 districts due to this lack of time, and the slogan of our electoral campaign was "This Is Not the Last Chamber."

[Alexandru] How did you manage financially?

[Cazimir] We had 721,000 lei from the government budget in the bank, from which we did not spend a cent until the elections. The electoral campaign was supported by the party's paper, THE CARPATHIAN BELLOW. Beginning in February, we will also collect dues.

[Alexandru] How many sympathizers are members of your party, and how many are not?

[Cazimir] I don't know how many are members, but we have 23 million sympathizers who are not. We have 26 organizations in the country, but we don't yet have headquarters in Bucharest.

[Alexandru] Do you expect to form alliances with other parties?

[Cazimir] No, because in our bylaws, the "political line of the party" section clearly states: "The party does not form alliances with other political groups."

[Alexandru] Do you maintain relations with sister parties in other countries?

[Cazimir] No. Although I have heard that in Poland there is a party called "The Orange Alternative" whose tendency is to encourage humor. But it seems that over there, the emphasis on humor was too strong to obtain a seat in Parliament.

[Alexandru] How do you perceive the government's policy from the elections to now?

[Cazimir] We must isolate intentions from achievements, because while the intentions are sensible and honest, the achievements are inferior; and this for several reasons which don't necessarily hinge on the government. In this sense, there prevails a passivity among many of us: the habit of waiting for cues, of not doing anything without being directed, and implicitly of being relieved of responsibility. Sticking to my field, I can say that there are many flaws in the educational policy. That's probably why the students are so impassioned. The former minister, Mihai Sora, left a disgraceful memory, and serious mistakes with long-term consequences were committed during his administration. Reparation efforts are being made, but we are still waiting for results. Specifically, the definition of university autonomy should be hastened, as should the improvement of programs and conditions for the educational process.

[Alexandru] How do you perceive the activity of President Iliescu?

[Cazimir] I believe that a head of state must not become involved in the management of the state, but must remain as a representative and arbiter. To the extent to which he has kept within these limits, and for the most part I would say that he has remained within them, President Iliescu has honored his mandate. There are those who want it otherwise, in the style of a United States president, but I believe in a president of the Italian or German type.

[Alexandru] What is your opinion of the fact that a president of Romania is not allowed to be member of a party? Do you think that in his self, Iliescu does not belong to the FSN [National Salvation Front], or that if Campeanu had been elected he would no longer have been a liberal? Are we not somehow forcing the president into a lie from the start of his mandate?

[Cazimir] A man helped into office by a party cannot "discolor" himself. He remains related to the organization that launched him. The president is forced into a conventional lie, but no one believes it.

[Alexandru] Is there a rift between the intellectuals and others?

[Cazimir] Yes, between some intellectuals and the rest, namely those who feel entitled to place an equal sign between their position and that of others. Caragiale made some serious points about those who feel more secure in saying "we" rather than "me."

[Alexandru] What is your opinion of the FSN?

[Cazimir] It is a transitional group. The concept of salvation cannot be carried out too long, because if the salvation has not succeeded it means that the rescuer is not appropriate. A party which achieves such a percentage in elections is subject to a phenomenon of progressive erosion. The estrangement phenomenon is apparent even in Parliament. The small parties, whose solidarity is strong, vote automatically and dogmatically, while in the FSN the opinions are diversified. And that represents progress.

YUGOSLAVIA

Issue of Internal Border Changes Discussed

91BA0340A Belgrade ILUSTROVANA POLITIKA
in Serbo-Croatian 12 Feb 91 pp 10-13

[Article by Slobodan Milosevic, including interview with Professor Dr. Budimir Kosutic, member of the SFRY Constitutional Commission; place and date not given: "The Borders Are Being Drawn by Amateurs"]

[Text] A division of Yugoslavia according to the prescription of the northwestern national-chauvinists is not possible under either international or domestic legal norms, which are also sanctioned by historical facts.

The secessionist aspirations of the Croatian and Slovene leaderships to turn the present federal units into national states through a simple and unilateral retention of the fictitious republic borders, along with the simultaneous aspirations of the HDZ [Croatian Democratic Community] to extend them even at the expense of Serbia and Bosnia-Herzegovina, lack any legitimacy and represent a bill without a tavern-keeper, according to the system of "whatever one wants..."

In the first place, a decision on the secession of part of Yugoslavia's territory cannot be adopted unilaterally by any single leadership, parliament, or single-nationality ruling party, without all of the people living in that area having expressed their views on such a major and fateful step. At the same time, citing the UN Charter and its first article, which talks about the right to self-determination, is a misinterpretation of international law and an attempt to have things one's own way by asserting that it also includes the right to secession.

Who Contributed What to Yugoslavia

Before any division whatsoever, it would be absolutely necessary to determine who had what, and who contributed what on 1 December 1918 to the community which gained the name of Yugoslavia by uniting the Serbs,

Croats, and Slovenes (i.e., peoples, and not states or republics). Indeed, it is a historical fact that before the creation of Yugoslavia and its international recognition, only Serbia and Montenegro had the status of states, with all of a state's prerogatives—and thus, established borders as well. It is also a fact that the rest of today's federal units (especially Croatia and Slovenia) insisted on joining the community in order to avoid assimilation into Italy and Austria, which would have meant, above all, the permanent loss of all territories where Croats and Slovenes lived.

Prof. Budimir Kosutic, chairman of the Legislative and Legal Commission of the Council of Republics and Provinces, and member of the SFRY Assembly's Constitutional Commission explains:

"Before World War I, only two states existed in the area of today's Yugoslavia: Serbia and Montenegro. After the end of the war in 1918 and before 1 December 1918, the Grand National Assembly of Montenegro adopted a decision to enter Serbia in order to unite together with it in a new joint Yugoslav state. It is also a historical fact—and it is stubbornly kept silent—that the people in most of the opstinas of Bosnia-Herzegovina expressed support for annexation to Serbia, while the residents of Slavonia and Dalmatia clearly decided on annexation to Serbia for the sake of joint unification into Yugoslavia. At that time, in fact, Croatia did not even exist in its present form, and instead, that name referred to Zagreb and four districts. Accordingly, when talking now about internal borders in Yugoslavia, one should by no means forget that in fact, the ones united were the Serbs, Croats, and Slovenes living in the territory of Austria-Hungary on one hand, and on the other, Serbia, with a territory that encompassed Serbia, Macedonia, Montenegro, and Vojvodina and Baranja, because—and many people forget this—before the unification the large National Assembly of Serbs, Backa Croats, and Hungarians adopted a decision that Vojvodina, which also included Baranja, would be annexed to Serbia."

The Framework Would Be Serbia

Obviously, the framework for the creation of Yugoslavia was the Serbia expanded by the will of those peoples, which, in fact, even in 1918 could have created a national state in which nearly all Serbs would have lived in a unified territory along with members of other peoples who would have been in the minority.

"The sole subject of international law for the creation of Yugoslavia was Serbia," Prof. Kosutic stresses, "because from a purely legal standpoint, a state of Serbs, Croats, and Slovenes could not be a state because it did not have either external or internal borders, nor did it have legally constituted authority, and it did not meet the basic conditions essential for international recognition. It should also be emphasized that the Central National Council in Zagreb, after proclaiming separation from Austria-Hungary, in response to strong pressure from the people adopted a decision on unification with the

entire—that was literally emphasized—ethnic area of the southern Slavic peoples, because they are essentially a single people. Furthermore, since people are already talking about borders and about who contributed what to Yugoslavia, one should by no means forget the fact that the London Treaty offered Serbia, as an allied country, the opportunity to establish its border not on the Drina, which the leaders of the HDZ are talking about now, but rather on the line from Split toward Slavonski Brod. Accordingly, Serbia had an interest in creating a joint state so that all Serbs would live in it, but as a victorious country in World War I, it could fulfill that interest with less catastrophic consequences than those which occurred in World War II—I am thinking of genocide—and which it has now. After all, the issue of the creation of a Serbian national state (during that period, national states were created in Europe to settle the situation that arose after World War I) could have been resolved within the framework of U.S. President Wilson's 14 points. One of them, in fact, provided for the right of every nation to self-determination and to decide which state it wanted to live in. The Serbs, however, accepted the idea originating in Croatia—it is particularly important to emphasize this—that it was necessary to create one state, because there was one people with three names. Accordingly, it was the Croats who imposed Yugoslavism as a principle, and not the Serbs, but the Croatian leadership is now denying that, distorting the historical facts."

Selfish Interests

Accordingly, Serbia, as a victorious country, lost its chance to create its own national state, subordinating its own desires to the interests of other Slavic peoples.

"It was extremely important to the Slovenes and Croats, by associating themselves with Serbia and its legitimacy, to enter a joint state under the slogan of one people with three names, so that they would preserve the territories in which they lived," explains Dr. Kosutic. "Some of the Slovene and Croatian politicians joined Yugoslavia not because they wanted a joint state, but rather because of their awareness that their territories would otherwise have been divided between Italy and Austria, and it would have been almost impossible ever to reestablish new state entities in which Slovenes and Croats would be in the majority. They saw that clearly, and that is why they needed Yugoslavia. Only the Serbs did not realize that they were virtually becoming the vanquished instead of the victors. After all, the material facts prove that even at the time of the creation of the first Yugoslavia—and history confirms that this was also repeated after World War II—it was much more important to some people to inflict harm upon the Serbs. The hostility was particularly developed between the two wars, and reached its peak in the genocide after the creation of the NDH [Independent State of Croatia]; it concealed itself again out of selfish motives after World War II, and has now erupted again openly, loaded with hatred.

"The fact is," Prof. Kosutic states categorically, "that only the Serbs, renouncing their own national identity, really fully accepted the idea of Yugoslavism imposed by the Croats, and this idea served the latter as a mask so that in the beginning they could achieve the minimum (preventing the irrevocable partition of Croatia), and later on achieve the maximum (annexing, naturally with the help of others, other territories in which Croats would become the majority through settlement), at the expense of the other members of the community.

"After World War II as well, Croatia, although defeated, became the victor, retaining even the territory seized by genocide against the Serbian people and the settlement of Croatian inhabitants in areas where Serbs were in the majority."

The Will of Individuals

"The republic and provincial borders of the present Yugoslav federation, which is still in existence," Prof. Kosutic says, "were established by the will of individuals in the postwar leadership, and were never legitimately confirmed. They were not confirmed by any assembly from 1945 to the present, nor by any of the antifascist councils for the national liberation of Yugoslavia. That means that they were set illegally and unconstitutionally. Members of the Politburo of the KPJ [Communist Party of Yugoslavia], among whom Tito, Kardelj, and Bakaric had the most say, determined which area would be occupied by the individual republics, although they had never been authorized to do so. In particular, they were not authorized to change the situation recognized by international acts before Hitler's forces attacked Yugoslavia. In accordance with their criteria, individual republics were given borders that their peoples had never had. Specifically, the Croats gained Istra, Rijeka, the Dalmatian islands...This was obviously a great profit, and against the will of the Dalmatian delegates, whose request that Dalmatia obtain autonomous status was not even considered.

"Some Croats who lived in western Hercegovina, which became part of the new Republic of Bosnia-Hercegovina, remained outside the Republic of Croatia, however...

"A considerable number of those Croats had actually been settled even during the war in Slavonija and Baranja, from which the Serbs, at the time of the genocide conducted by the NDH, had already been expelled or killed, and Croats were settled in their houses and on their property, thus turning the rest of the Serbian population from a majority into a minority," Prof. Kosutic emphasizes. "Those areas actually did not belong to Croatia, but rather to Slavonija, which Croatia continually claimed as an integral part of itself. That is indicated, for instance, by placenames like Beli Manastir, for example, which was never called Bijeli. It is thus clear who lived there, and that has to be taken into account if and when it becomes necessary to talk about

the formation of new borders within this country and about peoples' right to decide who they will live with and in what state."

Benefit From Genocide

The advocates of the collapse of the present Federation talk about "historical" borders which obviously are not supported by historical facts.

"If the secessionist aspirations actually lead to seriously raising the issue of redrawing the internal Yugoslav borders and forming new dwarfish national states," Prof. Kosutic explains, "it will inevitably be necessary to take into account the real historical facts, and not amateurish, petty-political schemes and calculations in drawing those borders, based on irrational desires. It will also be necessary to respect international law and the demographic maps compiled in 1936 in accordance with the 1931 census. In other words, it is immoral to proceed from the present situation in the territory of Bosnia-Herzegovina, because that would mean acceptance of the principle of benefiting from genocide, without taking into account the fact that before the creation of Yugoslavia the Croats did not even have a state. They lost their state back in 1102 after the battle on Gvozd, and so when the Croatian leadership talks about the thousand years of Croatian statehood, it is actually telling empty stories, deliberately ignoring the fact that if it had not been for Yugoslavia, there would not be a Croatia today either."

The claims of the NDH and its leaders to parts of Bosnia-Herzegovina and Serbia were well-known before, and the aspirations toward Vojvodina were also recently confirmed in the documentary film that was made public by the Information Service of the Federal Secretariat for National Defense, about the preparations of the HDZ's terrorist paramilitary organizations for the final partition of Yugoslavia and the gain of the largest possible territory for Croatia.

"All those demands are dangerous, although quite unrealistic and sometimes almost comical. A good example of this is the demand from the Macedonian Executive Council, which, for instance, sought recognition of Macedonia's right to the Prohor Pcinjski monastery, considering that that territory belonged to it just because the ASNOM [Anti-Fascist Assembly of People's Liberation of Macedonia] museum was located in one room of that building. The Macedonian Assembly likewise, like the Slovene Assembly, adopted amendments to the Macedonian Constitution, and one of them provides for the Assembly's right to decide, by a two thirds' majority, on the Macedonian people's right of self-determination, to the point of secession from the Yugoslav community, and just to present such a decision to the people for confirmation. All of that indicates that there are leaderships on the scene which are real amateurs in politics, and which are not succeeding in resolving the difficulties in their own republics, because, in reaching power, they did not even offer a development plan, and now they

want to settle the concept of Yugoslavia. All of those leaderships are forgetting the fact that republics cannot secede, only peoples. Such a decision has to be made by the people, and in order for the people to make such a fateful decision, it has to know, above all, the historical truth, and then be well informed about the consequences which will follow from such an action, the costs that will be incurred, and the international rights and interests that cannot be ignored.... It can clearly be seen from all of this that it is not possible to redraw Yugoslavia's internal borders on an amateurish basis, as conceived by individuals in Slovenia, Croatia, and Macedonia," emphasizes Prof. Kosutic.

Even if the leaders of the nationalistic parties in Slovenia, Croatia, and Macedonia succeeded in unilaterally splitting apart Yugoslavia, would they also succeed in obtaining international recognition for this?

The Creditors Must Also Be Asked

"The decision on whether Yugoslavia will be finally extinguished as an internationally recognized state with precisely defined borders and obligations will not depend exclusively on nationally impassioned politically officials," Prof. Kosutic says. "Yugoslavia, for instance, has concluded more than 8,000 international treaties, of which it is the guarantor, and not its republics. For example, we can agree that Yugoslavia will no longer exist and that in the economic sphere, for instance, we will divide up our debts. That, however, still does not mean anything. Which of our foreign creditors will consent to having his debt repaid by a federal unit, for instance Macedonia, concerning which there are objective doubts as to whether it can even exist independently in view of its economic and political situation? What creditor will accept a unilateral change in debtors when that new debtor does not have any kind of prospects for actually repaying the debt? Accordingly, these facts must absolutely be taken into account in any discussions of secessions among us. Furthermore, any separation of Yugoslavia as a sovereign state automatically entails the issue of its external borders, because those borders were not established with the international community by the republics bordering on the other states, but by Yugoslavia as a community of all the peoples and ethnic minorities living in it."

Naturally, no intelligent person would insist any longer on the senseless retention of a community in which peoples will engage in conflict with each other to the point of bloodshed. Solutions must be found, but how?

"Once the thesis that Yugoslavia can no longer survive as it is, then the question of creating different relationships must be sought within the framework of the Constitution that is still in effect, and resolved in a democratic way that will not give anyone more rights than the ones he had upon joining the community. That can and must be clarified in democratic negotiations among the competent constitutional factors, with the provision that the people cannot and must not, by any

means, be excluded from this whole procedure," Prof. Kosutic emphasizes. "Even though multiparty elections have been held in all the republics, it would be tragic if the victors in the elections were the only ones to decide on the fate of the people, for the simple reason that in most of the federal units, the ones who came into power did not get more than half the votes of the total population. On the basis of that fact, it is not possible to adopt such fateful decisions in the name of the people. But in order for the peoples to be able to commit themselves to a decision against it on breaking up the federal state into separate little states, they must be thoroughly prepared and informed of all the consequences.

"The federal forums," Prof. Kosutic emphasizes, "are thus, more than anyone else, obliged to prepare a balance sheet that would cover the period from 1918 to the present. It will show which people contributed which territories to the joint state, and how and to what extent it has settled the obligations (international and others) incurred by the parts of defeated Austria-Hungary that became part of Yugoslavia, even though they were on the side of the country that lost the war. It is likewise necessary to look at who contributed what to Yugoslavia after World War II. Who was favored, and to what extent? Which branches of the economy were developed at the expense of others, and at whose expense? Who gained how much through biased development plans, who borrowed foreign exchange while giving others what were even then inadequate sums of dinars in exchange, which led to a shift of exchange rate differences to the undeveloped parts of the country, which are still sobbing because of that? Next, it is necessary to compile a balance sheet of the funds of the Yugoslav Army and the federation, and a balance sheet of foreign debts. If a partition occurred, nevertheless, the Serbs cannot permit any part of their people to be separated from Yugoslavia by force, and thereby become ethnic minorities in states where the Serbs were first to invest their blood and bones, and later both sweat and property."

The Threat to Peace in the World

[Milosevic] How would Europe and the world view the partition of Yugoslavia?

[Kosutic] Any attempt at a unilateral and forcible establishment of new borders of alleged states on our territory would also jeopardize peace in the world. That is why I think that it is absolutely impossible to break up Yugoslavia as certain leaders in Slovenia and Croatia have thought of doing. At the same time, Yugoslavia still exists, and that fact cannot be overlooked, especially in a situation in which lines are being drawn and nationalistic paramilitary terrorist units are being formed; that objectively constitutes a preface to a war aimed at achieving the secessionist aims. It must be clear that unilateral secession cannot survive, either from the standpoint of domestic or international law.

[Milosevic] Are you optimistic that if reason prevails instead of passions and emotions, the experience of our

tragedies in the past and the experiences of the contemporary world will help us to find good solutions?

[Kosutic] I am not a supporter of the thesis that now we must all forget nationalities. On the contrary—we must realize that being a good Serb, Croat, Slovene, Macedonian, or Hungarian is the first prerequisite for being a good Yugoslav. The national chauvinism that is being incited by individuals in all peoples, and especially in the Croatian people, is a real tragedy. If that harmony is not achieved, neither the republics nor Yugoslavia can exist, but certain leaders, in their national enthusiasm, do not want to realize this and do not see it. That is the problem we are facing.

Serbian Journalists Harassed in Croatia

91BA0320A Belgrade POLITIKA in Serbo-Croatian
5 Feb 91 p 12

[Article by D.Z.: "Even POLITIKA Journalists in Croatia Are Experiencing Harassment: 'The HDZ [Croatian Democratic Community] Is Coming To Kill You!'"—first paragraph is POLITIKA introduction]

[Text] Besides these and similar threats, the work of our journalists is also being hindered by a hostile campaign systematically pursued by their colleagues in the Zagreb press.

Zagreb, 4 Feb—The primary and longest-standing form of pressure experienced by POLITIKA correspondents in Zagreb and elsewhere in Croatia for months now, and especially since the HDZ [Croatian Democratic Community] came to power, is the extremely sinister picture painted of them by the press there. The goal of describing them as agents of "greater Serbian policy" and "haters of Croats" is for ordinary citizens to regard these journalists with suspicion and abhorrence as soon as they hear which newspaper they work for.

We quote a characteristic example from VECERNJI LIST (23 January 1991) where, on the second page, in an unsigned article, a group of activist correspondents of the Association of Journalists of Croatia [DNH] is denounced for not having sent delegates to the meeting of the DNH, choosing instead, as the article says, "simply to turn down that opportunity through a silent boycott." This time as well, of course, it was only journalists from the POLITIKA publishing house that are "guilty," and after citing the names Arsenic, Dmitrovic, Djukic, M. Djuric (EKSPRES), Vujatovic (EKSPRES), P. Stanivukovic (NOVOSTI), and S. Zece (who has no connection with the DNH because he is from Belgrade), the article goes on to cite "other pathologically handicapped sowers of anti-Croatian hate and personal friends of the Minovic-Milosevic-Mikelic power elite at SPS [Socialist Party of Serbia] headquarters."

Whenever we are called names and singled out in such a primitive fashion, we expect a concrete reaction by "sound forces" who then speak up with threats by telephone or letters.

This is what happened to us at the end of last year (which was also the culmination of pressure on us), when in only three days there were calls in the Croatian Assembly for a ban on the sale of POLITIKA, POLITIKA EKSPRES, and VECERNJE NOVOSTI in Croatia (this was demanded by the "renowned" delegate from Osijek, Branimir Glavas). That same day, two journalists arrived at the press bureau who fraudulently introduced themselves as correspondents from MLADINA; two days later, the famous article in SLOBODNI TJEDNIK appeared, in which the POLITIKA press bureau was described and depicted as the "main Chetnik headquarters for Croatia," involved in intelligence-related and subversive activities for the purpose of inciting insurrection by the Serbs, and similar nonsense. During those three days, there was a public "promise" that we would be suppressed, made by the head of Tudjman's cabinet, Hrvoje Sarinic, during a press conference at the republic's Presidency. This immediately culminated in threats by telephone and in anonymous letters containing, besides the usual insults, promises of our liquidation. Our press bureau even received a letter with a photograph of Luburic and a severed Chetnik head, and so on.

On several occasions, we reported this to the SUP [Secretariat for Internal Affairs], and they carried out an investigation, with no results whatsoever (as in cases of similar attacks on PROSVJETA, the offices of the SDS [Serbian Democratic Party] and the Serbian Orthodox Church).

After the well-known events in Petrinja at the end of last year, VECERNJI LIST published the article "Paid to Lie," in which—in a way that was unheard-of at the time—one newspaper practically ran a "Wanted" poster for two journalists, Ratko Dmitrovic and Djuro Djukic, simply because they wrote about things that their Zagreb colleagues refused to cover.

"That article was followed by horrible threats against me and my family," says Ratko Dmitrovic, "that went so far that I had to leave Croatia for a certain period of time, together with my family. For several days, the phone was ringing continually, threats were pouring in, and I was informed of decisions whereby I was sentenced to death ('Hey, a group of HDZ people is coming to kill you'), extremely vulgar insults, threats to slaughter me, my wife and children, the doorbell ringing at 0200. My car was demolished in a parking lot. The telephone was placed under unscrupulous surveillance, wiretapping that went so far that those listening in interrupted my conversation, cursing, insulting, disconnecting the line, and so on."

In fact, the tactics for neutralizing the work of correspondents from Croatia is based on the publication of articles

in VJESNIK and VECERNJAK, where their "colleagues" from the Zagreb press mention them by name and in this way put them "in the cross hairs" of all sorts of zealous defenders of "Croatian sovereignty."

[Box, p 12]

"My three children sleep in a different bed every night!" Says Djuro Djukic, POLITIKA correspondent in Sisak

"Besides the classic threats by telephone or knocks on the door in the middle of the night, as POLITIKA correspondent I am completely isolated from journalists, colleagues of Croatian nationality, including those who until yesterday were good acquaintances and whom I considered friends," we are told by Djuro Djukic, the permanent POLITIKA correspondent in Sisak, who has been unable to secure official space for his press bureau, but rather uses his apartment as an office.

"Some Croats from Sisak," he continues, "view POLITIKA journalists as inherently negative figures and bad people, simply because they are from the Serbian publishing house. Even before these euphoric events, as soon as I began to sign my articles in POLITIKA, a dead pigeon was put on the hood of my car. And this happened several times in a row, in order that there be no doubt about the nature of the message. For the past few nights, I have had to move my children—and I have three of them, ages three, eight, and 10—from my apartment to friends' apartments, because I am unsure about their safety in their own home. Otherwise, those rare Croats who are still friendly to me have suggested to me and warned me, with the best of intentions, that I should by no means go for a walk alone, especially at night.

Photo Caption

This photograph was sent to the POLITIKA press bureau in Zagreb with the caption "This is what will happen to all Serbs!" The picture shows the famous Ustasha cut-throat Maks Luburic holding the head of Chetnik Duke Pavel Djurisc. Djurisc's Chetniks from Montenegro, as "arranged" by Sekula Drljevic and Pavelic, moved to the west and were killed at Lonjsko Polje in the winter of 1945.

HDZ Link to Emigre Terrorist Organization

91BA0320B Belgrade ILUSTROVANA POLITIKA
in Serbo-Croatian 5 Feb 91 pp 6-7

[Article by M.L.: "After Discovery of Conspiracy: Who Is in Fact Governing Croatia: Tudjman—Puppet or Accomplice"—first paragraph is ILUSTROVANA POLITIKA introduction]

[Text] The Croatian Nation-Building Movement (HDP) has thus far organized more terrorist activities than anyone else. The Croatian Democratic Community

(HDZ) is under its influence in terms of planning and methods of operation, as well as ideologically, and organizationally.

While showing the film about how Croatian ministers Martin Spegelj and Josip Boljkovac prepared for "war with the YPA [Yugoslav People's Army]," the FSND [Federal Secretariat for National Defense] also exposed the persons who were the direct perpetrators of the plans by the two Zagreb ministers. They are Goran Ribicic, a member of the HDP, who talked about activities in Osijek, and Branimir Glavas, commissioner of the HDZ in Osijek. Their job was to distribute illegally imported weapons and organize the liquidation of members of the YPA based on a special list that Branimir Glavas had.

Both were members of the Croatian Mainstay organization, which the HDZ formed to engage in special terrorist activities.

Several members of the HDP have also joined this terrorist legion. In this way, members of two political currents, which are different only at first glance, the Croatian Democratic Community (HDZ) inside the country and the Croatian Nation-Building Movement (HDP) outside the country, have come together with a common genocidal objective. Indeed, close ties have been revealed between the party in power, the HDZ, and the extremist Ustasha emigre group, the HDP.

Return to Zagreb

The Croatian Nation-Building Movement was founded on 9 January 1981 in New York, after the breakup of a group of Ustasha emigres with Dr. Mato Mestrovic and the Croatian National Council organization. The initiator was Franjo Mikulic, while the direct organizers of the new Ustasha gang were "proletarians" Zlatko Markus and Mladen Svarc.

Immediately after its formation, the HDP conducted an extensive campaign to establish headquarters in Australia, Germany, Sweden, the United States, Canada, and Argentina. Even then, this organization emphasized political violence as the operational method for achieving its goal: a new independent state of Croatia. It attracted nearly 3,000 people, the majority of whom were favorably disposed towards terrorism.

Without a doubt, the most prominent figures among them were the chairmen of the local committees: Dinko Dedic, Ante Suto, and Jure Lasic (Melbourne), Stjepan Bilandzic (Cologne), Miljenko Eljuga (Copenhagen), Mladen Svarc, Luka Kraljevic, and Nikola Stedul. All of these are people who previously belonged to terrorist groups with close ties to postwar fugitives and criminals such as Ante Pavelic and Maks Luburic.

Before joining the HDP, for example, Nikola Stedul was a member of the Croatian Revolutionary Brotherhood and the Croatian National Resistance, two extremist Ustasha organizations in emigration.

Between the war and the present day, Ustashis in the rest of the world and in Yugoslavia have carried out more than 150 terrorist acts, while the HDP has been responsible for 30 of them. Nikola Stedul was expelled from Germany in 1975 because of his extremism, after which he took up residence in Scotland. He was elected chairman of the Croatian Nation-Building Movement precisely because he had an ample terrorist pedigree.

Nikola Stedul, known among emigres under the alias Tomislav Kvaternik, was born in 1937 in Duga Reca. He emigrated from Yugoslavia in 1956. While in emigration, he met Gojko Susak, who in recent months has been leading Dr. Franjo Tudjman's campaign in Canada.

When Tudjman came to power, Nikola Stedul—through his friend, who as a token of gratitude was appointed by Tudjman to the post of minister for emigres—arranged to return to Zagreb. After the elections in Croatia, as many as 11 leaders of the HDP arrived, where they were received by leading HDZ figures such as Vladimir Seks, Sime Djodan, Marko Veselica, and others. Their arrival ensured not only the "national reconciliation" of all Croats, but also regular financing of the HDZ, which received the members of the HDP as its extended arm—the right arm, that is.

Ku Klux Klan

Dr. Franjo Tudjman and the HDZ were well-aware of who and what the Croatian Nation-Building Movement is. For example, in August 1981 this terrorist organization planted a bomb in the Munich home of Rolf Schultz, the publisher of a book on Tito. That same year, in October, the HDP blew up the Frankfurt office of JAT [Yugoslav Air Transport], the Yugoslav Information Center in Stuttgart, and the "Novi Beograd" adult education center. The next year, they struck at JAT in New York, while Jandro Fracin blew up several monuments in Pag, Rijeka, and Zagreb, injuring seven people. In Stuttgart, "Jugoturs" was blown up, and in Biograd, the building of the Municipal Assembly was blown up. *** During 1983, a group of 24 terrorists descended on Croatia and perpetrated several acts in Vinkovci, Slavonski Brod, Zagreb, Sibenik, Biograd, and other cities. An organization like this was needed by Tudjman and the HDZ as an advance guard in radical activities inside Yugoslavia and as an on-call culprit, at which the HDZ could point its finger in the event of a severe reaction by the public or the federal government. On the other hand, however, since the HDP culled its membership primarily from relatives and friends who were working abroad, it had the best intelligence connections in the SFRY, and Nikola Stedul was very necessary to Tudjman as a "man who knows everything."

Another of the people with connections to the highest figures and the HDZ was Milan Buskain, a coffee shop owner in Stuttgart, who bought a job for his son in the new Croatian government. For some time, he, instead of Mladen Svarc, was the leader of the HDP for Europe.

His assistant was Goran Ribicic, one of the figures in the film about the illegal arming of the police force.

After arriving in Zagreb, their plan was to establish a strong foothold for the HDP in Croatia. They did not succeed, however, even though Dr. Tudjman allowed the leaders of the Croatian Nation-Building Movement to hold a founding meeting of the homeland HDP in the middle of Zagreb during October. The main reason was the weak response by young Croats, who did not want to associate themselves with the terrorist ideologies of Dinko Dedic, Ante Suto, Tihomir Oreskovic, and Mladen Svarc, because the HDP was destined to be the Croatian Ku Klux Klan. Many new members of the HDP in Croatia felt cheated because they had accepted the organization simply as a new and younger Croatian party.

At the end of November, dissatisfied with the extremist policy of the HDP, young members scheduled street demonstrations, but the police did not give their approval. Afterwards, Dr. Franjo Tudjman spoke of "certain unnecessary parties," and the members of the HDP recognized themselves in this statement.

Greater Croatia

Dissatisfied with this and with cooperating with Tudjman, the main ideologist of the HDP, Mladen Svarc, resigned because he expected that there would soon be a trend in the country "against any Yugoslavia." The illegal arms procurement was already under way, but there was no bloodshed. In fact, it turned out that an HDP with such small numbers was not able to become a mass organization and fully carry out its actions. This is why the special organization for terrorism, Croatian Mainstay, was formed in Osijek, promising the Croatian leadership to provide support in the event of major incidents.

The plan for the defense of Osijek formulated by Ivan Vekic envisaged blockading the most important institutions and transportation routes, severing and cutting off the city, impeding movement by military units, provoking and appeasing street unrest, and maintaining links with the center.

Deciding in favor of cooperation with the Croatian Nation-Building Movement terrorist organization, the leaders of the HDZ and of Croatia demonstrated not only their unfitness, but also their impatience with achieving an independent and sovereign state "with historical borders" by means of "democracy." Taking up arms instead of dialogue and the pen, the HDZ became a terrorist organization that wants to use political violence and genocide to achieve a "greater Croatia." The map of the new independent Croatia drawn up by Mladen Svarc shows that the current government has undisguised territorial pretensions towards Bosnia-Herzegovina and Serbia. Specifically, present-day Croatia comprises a little more than 52,000 square kilometers, while the new state, "with historical borders," would comprise 172,000 square kilometers. It would include nearly all of Bosnia-Herzegovina, Sandzak, Backa, and Srem, including Zemun. For this, Croatia and the HDZ needed weapons.

The amount and type of influence exercised by Ustasha emigres, especially the HDP, on the political scene in Croatia today is also indicated by the fact that the creators of the new Christmas-time Constitution used the political theories of the Statutes of the Croatian Nation-Building Movement as their inspiration. Since the HDP pictures Croatia as a national state, then three elements of statehood must be combined in its government: monarchical, elitist, and democratic. And this means that Croatia must have "rule by one individual, with broad powers and strong authority" (Dr. Tudjman), "a political elite that engages in governing" (Mesic, Seks, Spegelj, Boljkovac), and "a democratic Assembly," which will represent the Croatian people. This Croatian monarch is in fact Dr. Franjo Tudjman, the only person among all the figures in contemporary Croatia who is mentioned by name in the HDP Statutes. Indeed, it does not mention that Croatia is in fact to be governed by Ustasha emigres who arrived from abroad during the summer and fall, while Dr. Franjo Tudjman is simply the executor. In other words, the HDP and HDZ have the same ideological and organizational foundation.

BULGARIA

Archives Officials on Handling of Military Files

91BA0191A Sofia NARODNA ARMIYA in Bulgarian
10 Dec 90 p 3

[Interview with Dr. Doyno Doynov, chairman of the Council of Ministers Main Administration of Archives, and Deputy Chairman Krustyu Gerginov, candidate of science, by Major Evgeni Genov and Dimo Dimov; place and date not given: "A Resource That We Must Use Wisely"]

[Text] [NARODNA ARMIYA] Are there any realistic foundations for the information we have that the Council of Ministers will make a decision according to which access to all archival documents prior to 1960 will be permitted?

[Doynov] We have made a request to the Council of Ministers to declassify documents of various departments and organizations. But this has to be done in accordance with established procedure. Our proposal is that, on the expiration of 30 years, documents, with the exception of those the departments will not declassify, should be released for public use. In other words, the 30-year period should be adopted as an operating principle by the archives.

[Gerginov] In Bulgaria, there are rules about working with confidential documents that control the list of those that are official secrets and have a confidential character.

[NARODNA ARMIYA] Are new rules being prepared?

[Gerginov] Yes, several months ago DURZHAVEN VESTNIK published a new list, considerably shorter than the one that preceded it, of documents that constitute official secrets. In this connection, the new rules are being prepared. We have suggested to the department of the Council of Ministers that is responsible for official secrets that representatives of the Main Administration of Archives should also participate in the formulation thereof. Most important for us is the question of the confidential documents that are received in the state archives because all should sometime become usable. Up until now, this has been controlled by the department that is the source of the documents in question because it declassifies them, something that is inconvenient for us. That is why we hold that there should be a 30-year time limit incorporated in the order. The department possessing archival documents should review and declassify them; unless this is done, on expiration of this time limit, they should automatically become public. But, at the same time, we do not forget that there are especially secret documents of exceptionally great significance for security and the highest state interests that have a long declassification time limit. These are not included in the general norm we have indicated.

[NARODNA ARMIYA] What are your impressions? Is there long-term interest on the part of Bulgaria and

foreign researchers in the archival resources "locked up" in the TsVA [Central Military Archives] in Veliko Turnovo?

[Gerginov] Both Bulgarian researchers and especially those from abroad have exhibited considerable interest in the materials in these archives. What is the reason when a foreign researcher wants to use the military archives? At the Main Administration of Archives, the topic a given specialist will be working on is declared. We transmit to the General Staff of the Bulgarian People's Army the letter for the person who wants to come, what topic he'll be working on, and so forth. Colleagues of the military archives decide whether to release the materials in question. Thus, for example, we had certain difficulties with researchers from the FRG.

[Doynov] Actually, a misunderstanding came about between us and them that has already been bridged over. The reason for their behavior was that two persons were not cleared: Stefan Troebis and another military specialist, Start, the former chief of the FRG military archives. Heavy pressure was exerted on me. The reason was that they wanted to use military documents from the southern front (Salonika). During World War II, the bombings over Germany destroyed many German archives, and they wanted our documents in order to replace theirs. We also discussed documents involving the operations of the Prinz Eugen Division in Yugoslavia.

[NARODNA ARMIYA] Still, it's a good thing that an understanding was reached to send copies rather than originals.

[Gerginov] To be sure. Matters go as far as exchange of originals in only exceptional cases. Under extraordinary circumstances and with mutual negotiations, not more than one or two documents may be given. In international archival practical experience, originals will not be given.

[Doynov] If it comes to an exchange, it is done reciprocally. We want originals, too.

[NARODNA ARMIYA] Are the mutual relationships between the TsVA and the Main Administration of Archives of the Council of Ministers based on the principles of hierarchical subordination?

[Gerginov] No. As you know, the Law on the State Archives and the Regulations for Enforcement Thereof (the latest change in and addition to the law was in 1987, and the regulations were approved last year) indicate the system of administration of the state archival collection. This is the Main Administration of Archives, which organizationally includes the four central archives in Sofia and the regional archives in the former okrug centers. Specified as bodies for administration of the state archival collection are the archives of the Ministry of National Defense and the Ministry of Internal Affairs, the diplomatic archives, the archives of the Bulgarian Academy of Sciences, and other departmental archives.

These departments have the right by law to create their own archives, which, though not included organizationally and structurally in our system, are supervised, methodologically only, by the Main Administration of Archives.

[Doynov] We respect the military archives, but, at that same time, we have claims on them, consistent with the changes that have taken place in our society. I refer to the greater liberalization in use of the materials in the military archives. We raise this question with a view to strengthening our mutual relationships. I think that the Ministry of National Defense should draw up a program for liberalization of access to the military archives, something we emphasized at the beginning of our interview about the documents involving the national security of the state. On the other hand, we want to support the TsVA so that it can establish bilateral relations with the military archives in other countries. It is about time that greater initiative and international responsibility of our military archives should be brought about. Moreover, it must be said that, when FRG Ambassador Karl Lewalter was here, I said to him, "Why, Mr. Ambassador, do we not promote a bilateral treaty for cooperation between the German and the Bulgarian military archives? This would be an advantage for both your country and ours." We raised the question of the international cooperation of military archives at the International Council on Archives during the visit of its secretary-general, Michael Roper. But, like the other archives in the world, we shall keep secret a certain percentage of nationally significant information affecting the national interests.

[NARODNA ARMIYA] Do you have at your disposal approximate data about the people who possess personal archives in our country and abroad?

[Gerginov] We collect information, of course. We maintain contacts with people possessing documents. They are, for the most part, intellectuals, heirs of politicians, educators, and so forth. And not just in Bulgaria, either. Some live abroad, and we are tracking them down and know what documentary resources they have at their disposal. In the Bulgarian state archives, we now dispose of about 4 million photocopies of documents that are located abroad. These are a great resource for our historical science. They are safeguarded by personnel who cherish the motherland.

POLAND

Changing Defense Budgetary Needs Examined

91EP0252A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 10 Jan 91 p III

[Article by Jan Parys, general director at the Central Planning Administration: "Military and Economic Strength"]

[Text] The adoption of a new strategy of political sovereignty for the Polish state is of great consequence, and possibly of even primary consequence to problems of state defense. There are still many factors to consider and reflect upon and many decisions to be made regarding this issue.

Economic-defense assessments, besides taking into account the factors which shape the economic situation, must also consider changes emanating from the development of the situation in the Soviet Union and the course of the restructuring of the political and economic system occurring in the Soviet Union. New independent states—Lithuania, the Ukraine and Belorussia—may become Poland's neighbors. It should also be kept in mind that the unification of Germany has increased the economic-defense potential of our western neighbor.

The changes taking place in East-Central Europe are leading, on the one hand, to the formation of truly independent and sovereign states. On the other hand, these changes have weakened the position of the Warsaw Pact and CEMA. The Warsaw Pact will probably be transformed into a political-consultative type of organization, while CEMA will most likely become a consultative organization.

While we declare our resolute desire to conduct a policy of peace and to participate actively in the creation of a unified Europe, the involvement of our country in an armed conflict, and even in a war, cannot be excluded. Possible territorial claims against Poland by all of its neighbors or nationality frictions related to the existence of national minorities and radically nationalistic groups in some neighboring countries may be reasons underlying such an involvement. Likewise, we must expect the need for Poland to assume a position in conflicts occurring beyond the boundaries of Europe (such as in the case of Iraq's invasion of Kuwait).

The following should be considered to be the most important defense tasks in the economy:

- Creating and protecting effective structures for managing and steering the economy.
- Ensuring the army the necessary means for its operation during peacetime and for conducting effective defense tasks.
- Ensuring the civilian population conditions for surviving under extreme conditions.

How Much We Spend on Armaments

In 1990, Poland's outlays for defense amounted to 14 trillion zlotys, or three percent of the distributed national income. The 1991 level of these outlays will be similar. According to SIPRI [expansion unknown] data, our per capita defense spending is \$143. By comparison, this index is \$269 in Czechoslovakia, \$189 in Hungary, \$62 in Romania, \$592 in the [former] GDR, and \$190 in Spain.

Expenditures for national defense are contingent upon two basic factors: an assessment of the threat to national security and related defense needs, including the armed forces in particular; and state economic potential, in which a significant increase is not likely in the next few years. In general, we must envisage the need for the existence of a smaller, but well organized and well equipped Polish army. The outlays should be financed by the budget.

The share of the MON [Ministry of National Defense] budget in the gross distributed national income was 2.1 percent in 1989 and 2.6 percent in 1990. In 1991, this share will approach the 1990 level, which is about 24 billion zlotys in absolute figures (in current prices). This budget will include increased outlays for the purchase of armaments and military equipment, primarily equipment of a defensive nature (radar reconnaissance, guidance and interception stations, fighter planes, marine rescue planes and helicopters, antiaircraft and antitank gear, guided missiles, and the like).

Poland is seeking cheap sources from which to purchase equipment and armaments. For example, the purchase of equipment from the former GDR army (including T-72 tanks and MiG-29's) is in progress at a sum of approximately \$130 billion. This equipment is from eight to 40 percent cheaper than the prices on the Soviet market.

New problems are likewise arising which will require considerable financial means. An example of such problems is the need to make changes in the deployment of our armies. It is estimated that the cost of redeploying one mechanized division is \$100 billion.

Privatization of Factories

The Polish defense industry, which encompasses 120 defense industry enterprises and approximately 300 plants that coproduce with finished product manufacturers, finds itself in an unfavorable situation. This situation has been caused by a significant reduction in domestic and foreign demand for military products, as well as by an insufficient ability to adapt these enterprises to new conditions. As a consequence, the index of unused special production capacities is growing.

New problems are cropping up in conjunction with ownership restructuring and the privatization of the economy. There is an urgent need to define the scope of forms of privatization of armaments enterprises and of enterprises closely tied in with the production of products with a special designation. The activity of such enterprises, in my estimation, cannot remain totally free of state control. Such control may be guaranteed by means of possession by the State Treasury of a controlling share in these enterprises. This packet should not be violated.

Likewise, the operation of the capital market must take into consideration the country's defense interests. Sales of stock of armaments enterprises must be subject to

restrictions prohibiting, for example, the purchase of such stock by foreign capital. In order to ensure national security, we must prevent the purchase of land by foreign physical and legal persons from assuming a mass character. Similarly, the power industry, communications, transportation, and banking-credit system should continue to be under state control. This control may possess an indirect character and it should not signify the absolute ban on the privatization of these fields.

The scope and character of state intervention in defense-related fields should not in essence violate the interests of private economic organizational units and should not compete with them. The experiences of Western states in this regard demonstrate that this is possible. At present we are working on defining such system solutions in the sphere of economic-defense ties, which will be cohesive with the principles of a market economy and which will, at the same time, enable the state to effectively secure defense needs.

Weaker Ties

An important determining factor for the implementation of current and future defense needs is the significant weakening of defense ties with the states of the Warsaw Pact and reorientation around the concept of sovereign security. Coproduction tasks have been restricted and the mutual deliveries of military technology within the framework of the Warsaw Pact have been reduced. This is primarily a consequence of the decline in the national requirement for products of the armaments industry. Traditional exporters are likewise ordering less.

Beginning in 1991, the shift to the foreign exchange clearing of accounts will be of great importance to the entire picture of production, coproduction ties, and the exchange of military equipment, especially with the USSR.

Keeping this in mind, it is advisable for us to intensify the actions we have already begun, seeking alternative, favorable directions of industrial coproduction and sources for purchasing military equipment and armaments. Regardless of the direction of cooperation and the source from which we seek arms (and strategic raw materials), we cannot allow a situation in which we are dependent upon a particular partner. This is possible through good discernment and by ensuring alternative sources of procurement.

In order to ensure the indispensable production capacities of the defense industry and the financing of armament imports, in my opinion, the politically and economically warranted export of arms should be maintained.

The state of agreements for 1991 and the current assessment of the situation indicate that our armament exports in the years 1991-93 will achieve a yearly average level of approximately \$450 billion, while imports (taking into consideration budgetary restrictions) are estimated at approximately \$300 billion per year.

Commentary on Positive Results of Military Reform

91EP0263A Warsaw POLSKA ZBROJNA in Polish
8 Jan 91 pp 1-2

[Article by Lt. Col. Tadeusz Mitek: "The Ethos and Realities of the Service"]

[Text] The year 1991 should be one in which military reform will shift from the stage of model assumptions and from the domain of expectations to the stage of actual implementation at the level of units and subunits, in barracks and military bases.

For several days now we have been implementing—to put it in bureaucratese—the new annual plan for training, education, billeting, cultural activities, etc. The new year is becoming part of the daily garrison and barracks routine, with all the conditions, needs, and obstacles accompanying life in the military service. Before we become absorbed in this quotidian life, let us infer some general reflections on the status of the military at the onset of 1991—on its standing within the institutional reform of the state and in public awareness, and on the transformation of its internal structures.

This at the same time means posing the question of what is the point of departure for further army reforms announced for the coming months.

The Army Is Needed

The basic fact that must be considered in these reflections is undoubtedly the changing public view of the army.

Above all, the pacifist movements with all their disarmament phraseology and moral arguments directed against military service have disappeared. The roots of these movements were not so much ethical as political, and, as known, this has ceased to be topical owing to the institutional changes in this country and the resulting depoliticization of the army and abandonment of party dominance as well as the freeing of the army of artificial ideological and world-outlook constraints.

Next, it is crucial that nowadays there is not in this republic any significant and responsible political force that does not accept the need for the existence of a strong army. A strong army is now viewed as an indispensable factor in safeguarding national sovereignty and national security, as well as a factor in domestic stability. The saying that the army is the backbone of state structures has become common currency and reflects the stance of the Solidarity-derived government toward the changing Polish Army.

Let us also point to another equally significant symptom. Namely, the recent disappearance of the tendency to slash the budget of the Ministry of National Defense, to make quantitative and qualitative reductions in the

armed forces, until recently so prominent in parliamentary debates and various public comments. To be sure, e.g., the present shape of the armed forces, the direction and pace of their reform, the principles of their financing, the structure of their internal budget, etc., continue to be disputed in the Sejm, but nowadays it is not denied that the armed forces must exist, must be capable of effective defensive combat, and should be equipped with such a modern armaments potential as would in itself discourage any eventual aggressor, and that this is going to cost money.

It is important that such an attitude and such expectations concerning the army also are being consolidated in public awareness. People want to feel secure, live in the belief that somebody is watching over domestic tranquility, and this certainly means, on the one hand, the gradual shedding of the odium of martial law by the army, the liberation from the syndrome of its being a domestic occupying power, and, on the other, the growth of the awareness that the world still is not secure at all. Given the collapse of geomilitary structures in our part of Europe and the prospects for the destabilization of our Eastern neighbor, we must realistically reconsider our own autonomous safeguarding of national frontiers.

The Guarantor of Sovereignty and Democracy

The current expectations concerning the army and the current interpretation of the ethos of military service were unequivocally and pithily expressed in the speech to Polish Army personnel delivered by President and Commander in Chief of the Armed Forces Lech Walesa on the day he was sworn in.

"The soldier," the president declared, among other things, "is not only in the vanguard of defending Poland. He is also in its moral vanguard. Military service is civic service. Therefore, it belongs among the most honorable and meritorious obligations in the state.... The Polish nation views the Army as the guarantor of national sovereignty and democratic civil freedoms. These duties should be exercised by the Army regardless of any current political configuration, and it should stand above all divisions. That is why it is important to restore to the Polish Army its representative national aspect and to adapt the defense doctrine to the Polish *raison d'état*. These principles have decided the directions of the changes so far being carried out in the Polish Army, and now they must decide the expansion and acceleration of these changes."

The advancement of military reforms at the onset of the new year is indubitable and irreversible. The Army has become part of the general institutional and structural changes in the state. The direction of its internal transformations has been clearly defined. The declaration, made in the statement quoted above, of the importance of restoring to the Army its representative national aspect, may be regarded as a postulate that has basically already been translated into reality.

The new model of the Polish Armed Forces and new concept of national defense consonant with the Polish *raison d'état* are being evolved. We have already discussed this topic many times in *POLSKA ZBROJNA*. The question of how to promote and accelerate this process concerns precisely the realities of everyday garrison and barracks life lying behind the general assumptions.

The Realities, Meaning the Budget

To write yet again that these realities are, like last year, determined by the state of the budget would be to sound banal. But this banality is the truth and cannot be ignored. The condition of the army means the condition of the amenities and services provided in the barracks, the quality of the equipment, and the material living conditions of army families, all of which have lately been worsening, in relative terms.

Of course, it is hardly an honorable practice to demand to be paid for wearing army uniform. No one nowadays is living a life of plenty, certainly not in state service. As yet, the disaster of the rejected system of society is now in the past, but a thorough economic reform is still in the future.

And yet, military service must meet certain material, financial, supply, provisioning, and cultural standards if it is to be effective, purposeful, and socially accepted, if it is not to compromise the uniform and the state it symbolizes. Unless the related basic criteria are satisfied, military reform cannot be effectively accelerated and expanded and the army itself will not be an effective guarantor of all that it should guarantee to the state and the nation.

Here I am not referring to salaries of the career military or social services for military personnel. The budgetary poverty of the army is something more; it means occasional fictitious training, sham exercises, shortages of spare parts, pseudosavings, worn equipment. In a word, it means all that demoralization which ensues from make-believe work and efficient fiction. I am not going to elaborate on this topic. That would lead us too far.

Aspirations Toward Honor

The collision between the theoretical assumptions of reform and the realities of the barracks and staff work is still producing sparks on a plane which we shall here define in general as the ethos of the service. It is a very lofty saying that the soldier is also be "the moral vanguard" of Poland, and that military service is "among the most honorable and meritorious obligations in the state"; this is an ideal formula. A publicist is free, and has the obligation, to state that as yet this formula does not always fit the reality.

Aspirations of dignity, basing the ethos of the service on the category of honor, on the return to the plenitude of the national patriotic and civic tradition, replacing ideological commitment and the doctrine that ideology and

loyalty to dogmatic assertions was to be a weapon, have not just recently manifested themselves within the military. For they are authentic and fully supported and expected within the military community as an ensemble of values on which service morale should be based.

But the road from aspirations and expectations to their complete translation into reality is long. The changing of the educational system, the depoliticization, the abolition of ideological barriers, and the previously blocked broad opening of the barracks to [Polish national] tradition and its Christian wellsprings, represent the basis for the transvaluation of values. Accelerating that transvaluation should undoubtedly be included in the work plan for 1991.

But the point also is that we should not replace the former party ceremonials and ideological phraseology governing human relations with some new, superficial "for God and the Fatherland" ceremonials. The changes in question must occur at a deeper level and concern service ethics, culture of command, and the moral quality of interpersonal relations and quotidian customs.

The dignity and prestige of the army, its status in the society, depend largely on its material status, but not exclusively. They also depend precisely on the moral strength of the military community. The related intellectual changes and changes in habits and mentality are certain to take a much longer time than organizational restructuring and a new formulation of the defense doctrine, and certainly longer than the new code of military honor now being drafted, which hopefully will be announced soon and impress the rising generation by its ethical level.

* * *

What then is the condition of the army and the point of departure for further military reforms at the onset of the new year? Promising, I believe. For this shall be a time when new model solutions adapted to the changed institutional conditions, to the present-day needs of national defense and the Polish *raison d'état*, and also to the civilizational and cultural aspirations of modern man, shall begin to filter down to the level of military units and military bases.

It is clear that we shall face obstacles. Undoubtedly, however, the ethos of the service will come closer to the garrison realities, to the drill squares and servicemen's lounges.

YUGOSLAVIA

High Praise for Yugoslav Tanks in Gulf

91P20234A Belgrade *POLITIKA INTERNATIONAL WEEKLY* in English 23 Feb-1 Mar 91 p 3

[Article by Marko Lopusina]

[Text] Last week at allied bases in Saudi Arabia, an unusual race took place. A U.S. Abrams tank and a Yugoslav M-84A tank raced one another along a 25-kilometer course. The Yugoslav armoured vehicle left

the lumbering American tank behind in a cloud of dust, arriving at the finish line nine minutes ahead of its rival and winning this sand-dune rally hands down. This was the second time a Yugoslav tank had beat the pants off an allied tank: A few weeks earlier at artillery practice it also achieved the best results, with a 60 per cent higher score than any other tank taking part. This was when the American colonels asked to have their picture taken with the Kuwaiti crew in the Yugoslav tank, and helicopter pilots gave them a fly-over salute, acknowledging them to be the true lords of the desert.

The Yugoslav M-84A tank has also been a revelation for foreign journalists reporting from the Persian Gulf, for Yugoslavia is not generally known as being a manufacturer of heavy armaments. With the manufacture of this tank, which began in 1984, and the improvements introduced in 1988, Yugoslavia joined the ranks of the handful of countries manufacturing tanks for the world market: the United States, the USSR, China, Germany, Great Britain, Brazil, and Spain. To date Yugoslavia has produced more than 700 of these armoured vehicles and has sold 200 abroad.

Under combat conditions the Yugoslav M-84A tank travels at 25 km.p.h., but in military exercises it has shown excellent performance even at speeds of 40 km.p.h. It achieved a score of 100 percent accuracy in firing at a fixed target just one metre wide at a distance of two kilometres, compared with the 48 percent accuracy of the Soviet T-72 tank. The Yugoslav tank has a 1100 HP engine and can attain speeds of 60 km.p.h. It only requires a three-man crew, the smallest number of men needed to run a tank in the world, and as a result is relatively light weight at just 40-odd tons.

With wide caterpillar tracks and a powerful engine, it is stable and fast in desert conditions, scuttling over the sands like a steel scorpion, and just as lethal. The engine used in this tank is unique in that it can run on four types of fuel: petrol, diesel, kerosene, and petrol/oil mixture, and it can cover 3,000 km without stopping. It operates at all temperatures, from minus 60 degrees Centigrade to plus 60 degrees Centigrade, and it is this adaptability that makes it so successful in the Persian Gulf, where temperatures are very high. It is armed with a 125 mm gun, the largest tank-mounted weapon in the world, which can fire accurately at a range of between 3,000 and 12,000 metres, although its ultimate range is 36 kilometres. It is also equipped with two machine guns, which have shown remarkable accuracy in firing at moving and fixed targets. The M-84A tank is completely Yugoslav designed and constructed, from start to finish, and all the materials used are locally available, so that production is not dependent on imported materials or equipment.

According to American experts, the greatest merits of the Yugoslav tank are its speed and accuracy. There are larger and more expensive tanks presently stationed in the Gulf, such as the German Leopard or the U.S. Abrams, but they tend to stick out like a sore thumb in the flat, featureless expanses of the desert. Thanks to its remarkably low silhouette, the M-84A blends in with its surroundings so well that it virtually becomes invisible. It is just 2.19 metres in height and when it rests in the sand it is scarcely taller than a big man. Consequently, it presents a very difficult target to hit. Another notable feature is the actual construction of this armoured vehicle, which combines steel and ceramic tiles in a laminated hull that protects the men inside from outside impact and gives them the all-important sense of security. This steel scorpion is computerized and equipped with a laser rangefinder, rocket launching ramp, and a special system for automatic firing which makes it one of the most accurate in the world.

Doubts have been expressed as to whether such modern computerized tanks are in fact suitable for difficult terrains and conditions. However, operational experience with the Yugoslav tank has shown that the computer system, particularly the rangefinder used for firing, very effectively replaces the much slower and less reliable human factor with electronics and automated operations. However, in the event of a computer breakdown the M-84A does not simply grind to a halt and become so much scrap iron. The crew, comprising the commanding officer, driver and gunner, are able to operate the tank and its equipment in semiautomatic mode or manually and to aim and fire its guns completely manually. Tests have shown that Yugoslav tank crews are highly efficient even in such conditions.

Demonstrations of the M-84A tank on the battlefield in the Gulf have shown that Yugoslavia has a powerful combat weapon for ground fighting, suitable for driving an enemy from occupied territory. The Yugoslav-made tank will be able to show everything it can do once the ground offensive planned by the coalition forces is launched. Naturally it would be better if this hardware were to be used for peacetime purposes, but it is to be hoped that its operation will hasten a peaceful settlement of the dispute. It is currently priced at about 2 million dollars, but the sensation it has caused in Saudi Arabia and Kuwait has boosted demand, and with it its selling price. It is an ill wind that blows nobody good they say, and perhaps Yugoslavia will be able to reap some benefit from the Gulf war in the form of contracts for its industry, in the same way that the Americans and British are doing.

BULGARIA

Analysis of Draft Law on Taxation

91BA0319A Sofia DELOVI SVYAT in Bulgarian
28 Jan 91 p 6

[Interview with Professor Ivan Vuchev, head of the team that drafted the Law on Taxes, by Mariya Georgieva; place and date not given: "The Draft Law on Taxes"]

[Text] [Georgieva] What are the advantages of the draft law on taxes?

[Vuchev] The tax system as written in the draft law guarantees uniformity and neutrality of the taxing of taxpayers and goods. It calls for the universal taxation of all individuals, income, sales, and property. Furthermore, it stipulates that all tax obligations will be based exclusively on the law and that no deviations from the principles of legitimacy, whatever their form, will be allowed. The draft ensures simplicity, clarity, and applicability of the law at a minimal cost.

[Georgieva] The draft law stipulates that the value-added tax will be introduced on 1 January 1992. What is the most characteristic aspect of this tax as written in the law?

[Vuchev] An value-added tax will be levied on all sales of goods and services in the country, including imports. The Western countries have a policy of drastically limiting the use of prices in solving social problems. For that reason, we believe it expedient to free from taxation some goods and services and adopt a uniform rate for the value-added tax.

[Georgieva] What is the most important aspect of the draft law on the tax on profits? Until now, there were objections to the rather high amount of this tax.

[Vuchev] Lowering the tax on profits to 40 percent is of prime significance. This will leave to the economic subjects in the future far larger funds for investment and distribution among stockholders and associates.

[Georgieva] Will the tax on profits stipulate some facilities?

[Vuchev] The taxing of profits will be uniform, in accordance with the practice adopted by the developed countries and the recommendations of experts in the IMF. Tax facilities will be minimal in terms of number, scope, and significance. They will include facilities to encourage cooperatives set up by the disabled, agricultural production, gifts, and the opening of new production enterprises, and, consequently, provide additional jobs. These solutions agree with global trends in limiting tax benefits. The law eliminates the large number of current tax benefits that suffer from some subjectivism. Therefore, all economic subjects will operate under equal economic and financial conditions.

[Georgieva] How will profits earned by foreigners be taxed?

[Vuchev] Profits earned by foreigners will be taxed in the same way and at the same rate as those of local juridical persons. Granting tax benefits to foreign investors is neither the main nor the only prerequisite for attracting foreign capital and is no longer practiced by the developing countries. For that reason, foreign investors are subject to the national taxation system.

[Georgieva] What taxes will be paid by the citizens, according to the draft law?

[Vuchev] Three taxes have been proposed: a general income tax, a tax on real estate, and a tax on inheritance and gifts.

Currently, Bulgarian citizens, regardless of their place of residence or location, are subject to a general income tax for income earned in the country or brought into the country from abroad. This personal tax conflicts with the nature and content of state and, respectively, taxation sovereignty. It is economically unjustified and unacceptable in terms of its foreign economic aspect; it is impossible, according to our legislation, to tax Bulgarian citizens who have spent a longer period of time working and earning income abroad.

[Georgieva] What changes will be made with the draft law?

[Vuchev] The personal aspect of the draft law is defined with the concepts of "local" and "foreign" physical persons, based on their permanent residence and location. Local individuals must pay tax on all of their income. The draft law stipulates that the overall amount of annual income from all sources be taxed on the basis of a uniform progressive tax rate. Furthermore, so far, income from wages and fees was taxed individually, and income from activities outside the social sector was taxed on the basis of family, thereby restricting the respective activities. Considering the existing and the developing circumstances, we should accept in structuring the taxation unit the annual income of an individual. On this basis, we shall preserve the maximal amount of incentives for each of the spouses and the remaining members of the family (the household) to work and increase the quantity and quality of the labor they invest. At the same time, the taxation of the individual income will enable us to set the amount of the tax on the basis of the number of dependent children.

[Georgieva] Will exemptions from the general income tax, which have existed so far, be retained?

[Vuchev] The exemptions that have existed so far will be increased in the future: scholarships; monetary compensation and aid paid by the social security system; monthly supplements for children; per diem; travel and hotel expenses; one-time aid to newly married couples;

births; illnesses; deaths; accidents and disasters; compensation from insurance policies; wages and pensions paid to blind, deaf, and dumb citizens; income from child support; and so forth.

[Georgieva] Does the draft law call for taxing pensions?

[Vuchev] Considering the conditions that prevail at this point in our development and, in particular, the social security system, it would be expedient to tax high income from pensions. Social security contributions will not be taxed. The pension is a derivative value of the earned income and is taxed in virtually all countries. It is inconsistent with a market economy to use administrative restrictions concerning the maximal amount of pensions. Taxation is a uniform and objective regulator of income, including pensions.

[Georgieva] So far, interest earned on savings deposits has not been taxed. What are the stipulations in the draft law on taxes about this?

[Vuchev] Up to now, interest from savings accounts was not taxed because the level of the interest rate was unjustifiably low. After setting up a sufficiently high interest paid on deposits, it will be taxed as it is in other countries. To protect the secrecy of deposits, to prevent the mass avoidance of taxation, and to facilitate tax control, it would be expedient for income from earned interest, dividends, and profits from stocks and other similar things to be taxed on the basis of a 20-percent proportional rate, withheld at the time of their disbursement. For similar considerations, it would be preferable to introduce an estimated tax payment of 30 percent on income from authorship fees and licenses (honorariums). The payers will be requested to submit annual information to the tax authorities concerning such income.

HUNGARY

Finance Minister Charged With Miscalculation

91CH0377C Budapest NEPSZABADSAG in Hungarian
8 Feb 91 p 5

[Article by K.J.T.: "Smallholders: Mihaly Kupa Is Mistaken; No Secret Agreement"]

[Text] The Smallholders Party has had difficulty digesting the legislative proposal concerning compensation. This was revealed at the Independent Smallholders, Agricultural Workers, and Citizens Party press conference on Wednesday, where party leaders expressed objections to the proposal in the presence of the foreign press. The fate of the governing coalition has been brought up once again. Party Executive Secretary Sandor Olah announced that the Smallholders would retreat into constructive opposition unless a law consistent with their perceptions was enacted.

According to the executive secretary the Smallholders would not be able to take part in good conscience in the

work of a cabinet which professed political views fundamentally opposed to those of the Smallholders. Objections to the legislative proposal were identical to those mentioned earlier, but party spokesman Miklos Omolnar also reported the Smallholders opinions regarding compensation. In their view, Finance Minister Mihaly Kupa erred when he estimated the worth of state property at 1,800 billion forints because based on calculations provided by notable experts, the worth of state property may amount to between 7,500 billion and 8,000 billion forints. On the other hand, full rehabilitation would cost 1,800 billion forints. The Smallholders do not regard the idea of full rehabilitation as viable because of changes that occurred during the past 40 years. According to the spokesman, no accurate assessment of state property has been made. Smallholders are also aggrieved by what they claim to be the truth: Instead of the aggrieved persons, functionaries of the former state party—people who were able to accumulate fortunes previously—would become the primary beneficiaries of state property privatization. Smallholders feel that the former ruling stratum determined that this was the price that had to be paid for a peaceful transition.

Smallholders expressed feelings that the absence of two basic elements in the legislative proposal, political consensus, and economic rationale, were a mistake. In order to incorporate both of these elements, further discussions will be held toward the end of next week concerning privatization and reprivatization issues. Representatives of parties seated in the parliament and independent experts will take part in these discussions, the spokesman told a NEPSZABADSAG reporter. At the same time the executive secretary firmly denied a report published in ESTI HIRLAP according to which a secret agreement had been reached by the Hungarian Democratic Forum and the Smallholders Party concerning compensation. According to Sandor Olah, all there is to this report is the fact that as far as compensation for movable property is concerned, we recommend the determination of an average amount but no agreement has been reached in this regard.

Councils May Replace Trade Unions in Labor Law

91CH0377D Budapest NEPSZABADSAG in Hungarian
4 Feb 91 p 4

[Article by Zs. A.: "Plant Councils Instead of Trade Unions?"]

[Text] Dr. Miklos Rabakozi, head of the Labor Law Drafting Committee, described the legislative proposal of the Labor Affairs Ministry to the National Association of Hungarian Trade Unions negotiating group yesterday. Plans call for the ministry to submit the new legislative proposal to the cabinet on 15 May, and to the parliament in June, following a debate over the proposal between the ministry and representatives of employer and employee interests.

Changes in society and in the legal system necessitate the development of a new regulatory system under the labor law. A differentiation between the treatment of the public service on the one hand, and the competitive sphere on the other forms the foundation of the new concept. "After rules which sounded 'authoritarian' thus far, we now need regulations of a 'civil' character," Rabakozi stressed. Rabakozi further remarked that establishing guarantees for human, social welfare, and cultural rights declared in the constitution will be the fundamental function of the new law. Prescriptive rules governing work relationships may be contained solely in the labor law, in collective agreements, and in work contracts, which will replace multilevel regulations.

Consistent with practices followed in market economies, collective agreements may be reached at the industry branch, professional, and plant levels, as well as individually, between employees and employers. Drawing a line between rights enjoyed by trade union members and the collective workers has become necessary. General workers' interest representation will not be provided by trade unions, but rather by plant councils formed on the basis of mandatory elections to be held at every employee workplace. Similarly, trade unions will continue to have a right to comment and to represent the interests of their members. Plans call for providing legally guaranteed trade union rights to participate in mid-level and upper-level mediation. Trade union officials discussed their view of the new legislative proposal following the presentation.

Mixed Prognosis for Automobile Market

91CH0377F Budapest VILAG in Hungarian 23 Jan 91
pp 36-37

[Article by D. Tamas Horvath: "In Hungary It Is an Investment, Not a Consumer Item; Automobile Market Prognosis"]

[Text] Presently, 1.7 million personal vehicles are being driven on our roads. Their average lifetime is 9-10 years. Concerns are being raised not only because of the antiquated state of the vehicles, but also because of their wasteful fuel consumption and the large-scale environmental pollution that they cause. This situation will hardly change before the next millennium.

We may regard the appearance of Western [as published] automobile manufacturers (Suzuki, Ford, General Motors) in Hungary as encouraging. Suzuki formed a joint enterprise with Autokonszern limited liability corporation, General Motors did the same with Raba. Ford independently established a plant in Hungary. But the production of these new enterprises will only begin to have its effects felt on the Hungarian market in late 1992, at the earliest. The first Swift model cars will roll out of Suzuki's Esztergom plant near the end of 1992. These cars will be priced at the then current forint equivalent of \$10,000. Once fully operational, this factory will produce as many as 50,000 cars per year. In

regard to GM-Raba's Szentgotthard plant, we may count on the manufacture of 200,000 motors and the assembly of 30,000 Opel cars to begin in late 1992. The current price of cars manufactured at Szentgotthard is 1 million forints. Ford intends to launch its component parts manufacturing plant in one of Videoton's unused Szekesfehervar facilities without Hungarian participation. Production will begin by late 1992. Parts manufactured in this plant will be assembled in cars to be manufactured abroad, but Ford plans also call for the sale of Ford cars in Hungary.

As far as the background of all of this is concerned, in recent years we imported between 120,000 and 140,000 cars annually from East Europe. Last year an additional 40,000 cars were privately imported. Thus far, real demand has existed for about 200,000 cars annually. Due to a significant price increase, one may count on a slight drop in real demand in the next year or two, in 1991 and 1992, to be exact.

As a result of production activity by the aforementioned foreign manufacturers, we may count on between 50,000 and 60,000 Hungarian manufactured modern cars entering the domestic market beginning in 1993. The volume of East European imports is already likely to be reduced by half in 1991. This reduction will be a result of increasing prices caused by the introduction of dollar-based settlements. While a 1988 comparison between a Lada and an Opel vehicle showed a 150,000 forint versus 650,000 forint price differential, the same ratio in 1991 will be 400,000 or 500,000 forints versus 1 million forints. Accordingly, the original quadruple price differential has shrunk to a double price differential, i.e., the field has become narrower but the price levels have increased rapidly and closed with an upward trend.

Considering the general economic situation, this instills a sense of uncertainty not only in car dealers, but also in car owners. For this reason, in the following passages I will attempt to forecast what may currently be seen with a relative certainty, and what may represent a foothold for those who experience this sense of uncertainty.

1. An optimist's view, although not totally unjustified, continues to count on an annual exchange rate of 200,000 cars, but even with that, quite a few years will have to pass before today's outdated cars are fully exchanged for new ones.

2. Actual production in the Hungarian plants of Western car manufacturers will only begin in 1993. In 1991 and 1992, the Hungarian automobile market will be rather confused because of the increased price of East European imports and the lack of domestic production.

3. Despite this fact, the market for cars with two-cylinder engines may be regarded as having collapsed. From the standpoint of used car sales it should be pointed out that Eastern manufactured cars may remain marketable until perhaps age three, while Western manufactured cars are certainly marketable for five or six years. The days when a car two or three years old could be sold at current new

car prices are gone forever. Used car prices will decline by between 15 and 20 percent, for each year that the car has been in use.

4. Due in part to anticipated enterprise and institutional procurement, real demand for new, modern Western cars will increase. Persons earning a moderate income will have to be satisfied for the time being with used, Eastern cars that will become cheaper. Continued supply of such cars will be ensured by the aforementioned protracted exchange of cars.

5. Because of the shrinking price scale which shows an upward trend, buyers will pay more attention than before to fuel consumption, the availability of spare parts, etc., that is to say they will weigh not only the price of a car, but also its operating cost.

In summary, all of this means that in 1991-92 a temporary decline in demand is conceivable in the Hungarian automobile market, however, prolongation of exchanging the existing cars is not possible either, if for no other reason than the antiquated state of cars in Hungary. Increases in mass transportation fares, and the probable deterioration of mass transportation standards will keep in step with increasing automobile and fuel prices, i.e., car owners will hardly surrender the comfort to which they have already become accustomed. At best they will restructure their consumption.

In certain instances, the decline in demand may conjure up the idea of installment sales in the minds of dealers, but this will occur exclusively in regard to the least current models. In this way, high interest payments on loans will further increase the price of cars. In other words, for quite a few years to come, personal cars will remain a special investment in Hungary, and cars will not become durable consumer goods available to the masses as they are in West Europe.

POLAND

Agriculture Minister on New Policies, Ideas

91EP0257A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 23 Jan 91 p 1

[Interview with Adam Tanski, minister of agriculture and food economy, by Edmund Szot; place and date not given: "Create a New Alternative"]

[Text] [Szot] People say that the production potential of Polish agriculture is the third highest in Europe. Mr. Minister, what is your assessment of the present condition of Polish agriculture?

[Tanski] If we measure this potential in terms of labor and capital resources, then we would sooner be talking about fourth place on our continent, but given such a high position, our agriculture is not competitive, and there are two reasons for this. The first is independent of agriculture itself. It is the result of the protectionist

policies of other countries that use subsidies to artificially make the products from these countries very much cheaper. The second reason is that our agriculture is much less efficient than agriculture in the Common Market countries.

[Szot] The rural political and social-vocational organizations think that this is one reason we need the state to be more interventionist than it is now. Do you share this opinion? What form do you think such a stance towards intervention should take?

[Tanski] The state should undoubtedly react to what is going on in agriculture. First for social reasons, because the farmer has become helpless faced as he is by the free market, where price fluctuations over which he has had no control have suddenly occurred and where the monopoly system is enjoying a tremendous advantage. It is not surprising that the farmers have felt threatened and have protested in various ways. State intervention should therefore help stabilize the market. One way would be to demonopolize the agricultural environment and to create competition, thus helping reduce the costs of middleman. But these actions will not remove the great pressure agriculture is presently feeling as a result of the fact that food expenditures account for a big share of family budgets. More and more farms are going to face the danger of losing their ability to maintain the family and provide income at a decent level. State policy must therefore provide these people with some sort of alternative, for example, by creating additional sources of livelihood to enable a farmer to undertake some other activity without changing his place of residence. Training and access to credit can help meet this goal.

Some farmers will keep their farms, of course, but they will have to adapt them to the market situation. But to do this, they need expert counselling and the funds to modernize their farms. The basic criterion for giving these farmers help will be the extent to which their establishment can achieve lasting financial profit. Production criteria would be of secondary importance here.

Some people take a stance in favor of intervention to mean something different, that is, the introduction of guaranteed minimum prices, but such a measure would be contrary to the market mechanisms we have initiated. We can see by looking at other countries that this is not a good thing, because setting guaranteed prices creates a rise in retail food prices there. In Poland this would provoke consumer protest. Besides, the budget and the economy as a whole are less in a position to grant such benefits to agriculture.

[Szot] The farmers are claiming that the Balcerowicz program spreads unevenly the burden of getting out of the crisis. They think that the countryside is bearing the lion's share of the burden. Is this your thinking too? What sort of disparity is there between the incomes of the rural and nonrural population?

[Tanski] There aren't any results yet from research on income in 1990. In 1989 these ratios were in agriculture's favor. In 1990 the income disparity will probably militate against the agricultural population. This is one of the reasons that in the draft budget for 1991 we are making a clear financial change to benefit agriculture. To meet the needs of agriculture, we are allocating funds previously earmarked for consumption in the form of meat and cheese subsidies. This has made it possible to save 1.4 trillion zlotys. This money will be allocated to reduce the interest rate on credit for those rural residents taking a job outside agriculture or starting to modernize their farms. In addition, the prime minister has promised that automatic improvements would be made in the budget, which we expect to result in another 1.7 trillion zlotys for the needs of agriculture. The thing is for these funds to be spent in a manner that furthers change in agriculture and helps agriculture adapt to the new conditions.

[Szot] Mr. Minister, what do you think about the opinion sometimes expressed that the World Bank and the International Monetary Fund are trying to "destroy Polish agriculture" in order to create a market here for Western food exports?

[Tanski] I regard these views as completely unfounded. Having these views expressed is very awkward for us, because they call into question the good will of those very people who are trying to help us. Anyone who has seen the report the World Bank specialists prepared knows how very clearly the authors of the report see all the dangers facing our agriculture and how the solution they propose fits the interests of both producers and consumers. Their desire to help us is also demonstrated by the concrete means coming from these sources and designated for the development of our agriculture and food industry. There will be \$275 million this year. I therefore decidedly reject the suggestion that there is some sort of plot designed to ruin Polish agriculture.

[Szot] Improving the agrarian structure isn't a goal but a means to the goal of reducing agricultural production costs, but how can changes in the structure be achieved during recession and unemployment?

[Tanski] I would divide the next few years into two periods. I hope that the first will not last too long. There is no use thinking about changing the structure, because agriculture must be a buffer to maintain the labor force during this period. This is why it is so important to create alternative sources of livelihood in the countryside.

During the second period, when we start coming out of the recession, when the restructured economy begins to set out on the road of development, the labor force will begin to leave agriculture, but this drain must be compensated for by a greater influx of the means of production. Then structural changes will start to come about in agriculture. We have to hold on, get through the first period, for these structural changes to get started.

[Szot] Let us imagine a situation in which Poland joins the Common Market and we start having the same prices for crops and the means of production in effect here as there. Then what would the situation in Polish agriculture be like?

[Tanski] We can only imagine this. You know, wholesale prices would rise immediately and the farmers would note clear improvement during the initial stage, but if consumer income remained at the current level, then Western consumers would be the only ones able to afford our agricultural products. This is why we need several years of preparation for both our agriculture and our whole economy to adapt to the structures of the European Community.

[Szot] Mr. Minister, in your opinion what sorts of decisions in agriculture are the most urgent now?

[Tanski] First, I would like to consolidate the leadership of the ministry and department that went through such difficult organizational experiences during the past year. The second urgent matter is to set up credit as soon as possible for buying fertilizer. This will require a great deal of tedious negotiation, inasmuch as no budget has been ratified and the banking system is independent of government functions.

[Szot] Thank you for the interview.

Warsaw Voivodship Lists Major Polluters

91WN0225Y Warsaw ZYCIE WARSZAWY in Polish
7 Jan 91 p 8

[Article by Joanna Halena: "Unpunished Pollution Will Stop"]

[Text] Five plants from Warsaw Voivodship are on the list of the country's worst environmental polluters which, at the same time, are doing too little to protect the environment. These are: the Polfa Pharmaceutical Plants from Grodzisk, the Siekierki Heat and Power Plant, the Warszawa Steelworks, the Piastow Battery Plants and the RSW [Workers Cooperative Publishing House] Prasa Plate Printing Plants.

The voivodship list has also attained considerable proportions. For now, 18 different industrial plants have been placed on it. However, as stressed by Deputy Voivode Zdzislaw Tokarski, the list remains constantly open. Other firms and plants that are damaging to the environment will soon be added on.

The Environmental Protection and Forestry Department under the voivode is preparing a veritable raid this year. Frequent and unexpected inspections will make it possible to find all toxic polluters, both the major ones as well as the very minor ones. The Ursus Machinery Plants, the Belwederska Bakery Plants from Szwolezwow Street, the PZL—Wola Machinery Plants, the Yeast and Alcohol Industry Plants of Jozefow near Blonie, the Warsaw Poultry Plants in Karczew, the

Mazovian Fruit-Vegetable Industry Plants in Tarczyn, the Zelos Monochromatic Picture Tube Plants in Piaszczno, and the Powisle Heat and Power Generating Plant in Warsaw—these are the leading polluters thus far. The list is supplemented by four Agricultural Production Cooperatives: from Chelbna, Czaplin, Prazmow, Henrykow; by the District Dairy Cooperatives in Jablonna and Grodzisk Mazowiecki; the Dairy Plant in Leszno, as well as airports.

However, not only manufacturing plants have been branded. Entire municipal bodies have found themselves on the list of environmental polluters: Wolomin, Nowy Dwor Mazowiecki, Legionowo, Lomianki, Gora Kalwaria, and Pruszkow. After conducting an inventory of municipal property, the same fines and restrictions will be placed on cities and towns that constitute an ecological threat as on production plants that are a burden to the environment. Such a decision was made by the voivode of Warsaw.

All plants and cities or towns that will ignore the deadline set by the Department of Environmental Protection and Forestry for the construction of pollution control systems will face the consequences. However, this time these will not be in the form of fines only—which did not frighten very many. As announced by Deputy Voivode Zdzislaw Tokarski, the penalty for the destruction of the environment caused by the polluters will be the limiting of their production and, in the case of the worst, obstinate offenders, even closing down the enterprise.

At the same time, the Department of Environmental Protection and Forestry has promised to help all those self-managements which had begun appropriate investments earlier but cannot finish them due to lack of funds. Owing to such assistance—WOSiL [Department of Environmental Protection and Forestry] has appropriated 2 billion zlotys—the construction of a treatment plant will be completed soon in Blonie.

"It is not our aim to play the role of prosecutor and punisher," states Deputy Voivode Zdzislaw Tokarski. "The ignoring of ecological problems by plants and self-governments may result however in that we will be forced to resort to even the most drastic methods."

Silesia: Employment, Production, Pollution

91EP0255A Warsaw RZECZPOSPOLITA in Polish
30 Jan 91 p 3

[Article by Barbara Cieszevska: "News From Slask: Unemployment Is Not Yet a Problem"]

[Excerpts] As it turns out, unemployment is not yet a problem in Silesia. By the end of last year, 63,434 people were registered as unemployed. This constitutes 3.8 percent of those who are employed. This is one of the lowest indexes in the country. In this overall unemployment figure, there are more than 40,000 women, the majority of whom are housewives who either never worked or did so a rather long time ago. After the most

recent changes, a part of them lost the right to unemployment benefits. However, a large number are still drawing these benefits. Undoubtedly, individual misfortunes do occur, but on a macro scale the problem is frequently illusory. In large part, this pertains to men as well. In the Voivodship Employment Bureau, it is possible to learn the kinds of incredible excuses used by the unemployed to justify their refusal of job offers. Medical statements and circumstances of fate are a common evasion.

Recently, owing to the local press, the case of the FSM [Compact Car Plant] in Tychy has become highly publicized. Thus, this plant intends to activate the production of a new generation of Fiat X-1 during the first quarter of this year. Lately, it has placed want ads for 2,200 workers by way of the press, radio, and television. Metal workers, tool welders, electronic engineers, etc. are wanted. However, there are few interested candidates.

The management of the Voivodship Employment Bureau was able to find 80 people for the FSM. This modern plant offers attractive work, with wages that are not at all bad (the average pay being 1.6 million [zlotys] and perhaps considerably more in the production sphere) as well as assistance in obtaining housing. All of this in vain.

TRYBUNA SLASKA reports that 186 drivers are looking for work in the Tychy-based employment bureau. The FSM needs 40 drivers to test new cars. There are not enough interested candidates. Why? Presumably, because one needs to sit behind the steering wheel for seven hours and conscientiously record a car's performance. This, indeed, is not easy work.

"The problem is in that," says the assistant director of the Voivodship Employment Bureau, "the Tychy plant has a poor reputation—one simply has to do work there." The plant is modern, the assembly line requires a set pace and a high degree of discipline is in force. Thus, the lack of interested candidates. And two more things. The plant is offering living accommodations for men. There is also the opportunity to sign up for a housing cooperative.

"The plant recently received an offer from Lvov. It turns out that there are 500 people interested in working in the Polish factory." The head of the FSM Employment Bureau claims that if he does not find interested candidates at home, he will have to hire people from Lvov.

More and More Difficult To Breathe

Oxygen in the air is being replaced by toxic gases and pollution. We follow ecological communiques every day. Tuesday, 15 January: carbon monoxide—991 percent over the norm. It is difficult to concentrate; one feels tired, drowsy, and finds it difficult to breathe. In Jan Kapala's paper, with several hundred copies published practically on the sly by PAN [Polish Academy of Sciences] in 1983, we read: "...In the case of carbon monoxide poisoning, the central nervous system is the

most severely affected.... In addition to throat complications, it also causes functional heart disorders and circulatory problems."

Tuesday, 22 January: the 24-hour concentration of carbon monoxide is 240 percent over the allowable norm.

Wednesday, 23 January: the 24-hour concentration of carbon monoxide exceeds the permissible norm by 710 percent! A huge cloud of smog has been hanging over Silesia for several days now. The allowable norms for pollution have been surpassed many times over. The level of benzophenol and carcinogenic hydrocarbon contamination will be known in a month, since this is how long testing takes. "A so-called inversion belt has formed over Silesia," explain meteorologists, "i.e., a gas and dust cloud weighing hundreds of tons. It blocks the flow of sunlight. There is semidarkness indoors even during the daytime. Work is done by artificial light. The only solution would be a strong wind that would disperse the stagnant air. In principle, an ecological alarm should be sounded—as would be done by the rest of the civilized world".

However, will this change anything?

Nearly every day, the local press reports on mining accidents.

On Saturday, 9 January, the roof collapsed on ledge 510 at 5:45 a.m. in the Zabrze-Bielszowice mine. Thirty-nine-year old Stanislaw Dudek was killed. Two miners were taken to the hospital with serious injuries. That same day, 33-year old Mariusz Dyrbus was killed in the evening in the Szczoglowice mine. He was electrocuted by a supply cable leading to a mechanical coal miner. He left behind three children.

On 15 January, a miner was killed in the Anna mine. He was 22-year old Ryszard Mandela, who was run over by a transported lining assembly. He had four children.

On Tuesday, 22 January, another miner dies in the Zabrze-Bielszowice mine. Twenty-two-year old Mieczyslaw Miazek was pulled onto a conveyor belt. He had worked in the mine for three months.

In January, six miners died of heart attacks in various coal mines. During all of last year, there were 41 such cases. The majority of them were young people.

Multimillionaires

There are those in Silesia who are unemployed and do not want to work. However, there are also multimillionaires. We are being bombarded more and more frequently with the intense advertising of large firms. Recently, the Silesian Building Corporation Limited [SBC] has been gaining fame. Its head and de facto owner is the company's president, Andrzej Kryś. The company offers "nearly everything for everyone," as the advertisement, which takes up half a newspaper column, proclaims. It invites people to come to the largest auto

showroom in Eastern Europe and "one of the largest showrooms in Europe" where one can buy any selected car model including delivery vehicles and trucks. "Only in our dealership can you buy the car of your dreams." The dealership's latest hit is the South Korean Hyundai-Pony for 77 million zlotys. The dealership had a grand opening with pomp and ceremony. There was a magnificent banquet for the press and invited guests. However, your correspondent did not attend in order to maintain a levelheaded attitude toward the company. The next highlight of the SBC Limited is a large furniture store and showroom. We recommend it only to the well-to-do. However, the sales girls are complaining about the company president because they claim they are earning too little—700,000 [zloty] plus 50 percent in bonuses which can be forfeited for any little thing. The corporate assets are considerable: more than 100 stores, warehouses, and the car dealership. The company also handles real estate, provides all sorts of advice, etc. And it is constantly planning its development. A case worthy of imitating? Perhaps.

The large design and planning bureaus have fallen apart; they must begin relying on themselves. Admittedly, the industrial design groups provided a sense of security but they were not conducive to quality. Mediocrity slipped by in the deluge of draft designs. There are more than 600 architects in Katowice voivodship. Will they manage? They are opening up private firms and competition is starting.

"The greatest problem is, of course, money," says Jacek Heyda. "It is true that a segment of the population can afford a private home but this does not solve the problem. The market will not settle everything. Bank credit must be found for housing construction whereas a 60 percent credit rate is outright robbery. The Polish National Bank is in excellent condition and yet there is a shortage of housing."

All in all, Silesia's greatest problem is the incredibly devastated environment. Worldwide, it is precisely architects who are involved in restoring it. They are slowly beginning to involve themselves in this problem in Silesia, although, there is a shortage of funds for this as well. Presently, Silesian architects have been awarded second prize for their development plans of the industrial region of the Ruhr Valley. Perhaps work will be found for them in our country as well? One private firm has already initiated research work on two extremely devastated areas in Zabrze-Biskupice which is supposedly the most polluted part of Europe and some claim even in the world.

"Our tragedy," claim the architects, "is that we ourselves do not respect the right of every human being to live in a safe environment. Every willful activity damaging to the environment that is brought to the attention of the courts goes—as it turns out—unpunished because the courts dismiss such cases due to the slight detriment to society."

"That is why, we will fight for guarantees of environment law and order to be included in the new constitution," states a well-known Silesian architect, Henryk Buszko. "Self-government cannot mean lawlessness and that is why we should not throw out the baby with the bath water nor give up on urban and rural planning on a national as well as regional scale." [passage omitted]

No One Wants Tanks

The passage of 100 tanks through the streets of Gliwice has been threatening the city's residents recently. The irritated workers of the Bumar-Labedy plants—a manufacturer of tanks—are threatening that if they do not receive an increase in wages (they are demanding between 400,000 and 700,000 zlotys), they will leave for the streets in tanks. The issue has become very public. The tanks, which no one wants, were intended for Iraq.

Bumar is threatened with bankruptcy. We wanted to understand the gist of the entire matter; find out who will finally buy these tanks and what kind of future is being shaped for Bumar. Unfortunately, the company is not giving out any information to reporters. The visibly upset economic director of the plants stated that so much false information has already been reported that it has been decided not to give out any more.

1990 Export Figures Show Changing Patterns

91EP0259A Warsaw *POLITYKA-EKSPORT-IMPORT* in Polish No 1, Jan 91 pp 17-18

[Article by Pawel Tarnowski: "That Was a Great Year: Foreign Trade Volume Exceeded All Expectations"]

[Text] That was a strange, atypical year. Twelve months full of surprises. All the initial forecasts drawn up by domestic and foreign experts proved to be dead-wrong. Polish foreign trade has experienced unprecedented shocks. It can be said that it has awakened, hopefully for good, from years of lethargy. The awakening was not sweet but certainly it was desirable. Those who are not afraid to speak big say that it was a time of upheaval. It is not excluded that they are right.

Sensation number one is the very scale of Polish exports and the pace of their growth. The overall indicator of the growth in our exports, 17 percent, while in itself high, is not still exciting, but it should be borne in mind that exports to countries of first payment zone (transferable rubles) declined instead of rising. It was in trade with the so-called second payment zone countries [based on foreign exchange] that the eruption took place. In 1990 Polish exports to the countries of that area increased by 45.2 percent! (For the socialized sector by "only" 34.5 percent!) Such a leap has never before occurred in the entire postwar history of the Polish economy, possibly with the exception of the 1940's. This deserves emphasis all the more considering that during the same period the volume of output sold by socialized industry declined by one-fourth. Foreign trade has remained solid compared with other domains of our life, and it produced the

impression of an exceptional burgeoning, although it is clear that this has been a forced process.

Sell at Any Price

The reasons why Polish state and cooperative firms exported in 1990 goods valued at more than \$11.4 billion (\$3 billion more than in the year 1989) are obvious. It is simply that they had no other choice. Already at the beginning of the past year the domestic market became almost completely blocked. Competition on that market also has increased. At the same time, the substantial devaluation of the zloty, and the fact that the exchange rate for the dollar was jacked up to 9.500 zlotys, encouraged selling anything and everything abroad. Whoever could set out to conquer the world with all the more enthusiasm considering that in many cases bankruptcy could be an alternative.

The relationship among the exchange rates of the zloty, the dollar, and the ruble became such that it paid the least to export to the East. During the past year, for various reasons, major changes took place in the geographical structure of our trade. The old relationships with the countries of the now expiring Council for Mutual Economic Assistance [CEMA] began to lose in significance. It turns out that, given the present exchange rate of the ruble—which to be sure does not reflect any actual economic relation—the share of exports to countries of first payment zone in overall Polish exports has suddenly nosedived to 17 percent! These figures are in current prices and in terms of the deformed relationship of exchange rates. It can thus be said that they provide a distorted picture. But even when considered in material terms, the shift of emphasis is obvious. Last year the share of the countries with whom we settle accounts in rubles has dropped to less than 40 percent from the previous 50 percent. Germany has, even before its unification, become our most important trading partner. In our trade contacts we thus are clearly turning toward the West, not only owing to rate of exchange considerations but also in view of the general crisis in the countries of the former socialist camp, the relaxation of mutual ties, the shortages of trade goods among our CEMA partners, and lastly the general unwillingness to maintain CEMA cooperation. This process of severing ties to the past and rupturing the traditional relationships has not always been rational, however, and as usual that will become obvious only after the damage is done. For the time being there are no prescriptions for counteracting these tendencies.

The changes in the geographical structure of trade have been accompanied by shifts in its nature. Without going into details it can be stated that exports of goods of the metallurgical, chemical, and mineral industries as well as of agriculture have increased markedly, while there has been some regression in exports of goods of the electrical machinery and light industries. Of course, these are overall results, because in no case have exports to the countries of the former CEMA exceeded their 1989

levels, whereas sales for hard currencies have generally increased in every subsector.

More Food, Less Coal

It is worth noting that in 1990, for the first time in many years, Poland has become on a larger scale an authentic food exporter. In the first 10 months of 1990 (the results for the year as a whole will not change this outcome much), a positive balance of food trade amounting to nearly \$1 billion (in 1989 the balance of food trade for a like period was negative to the extent of \$159 million) and 95 million rubles (70 million rubles in 1989) has been reached. We had imported minimal quantities of consumer grain, feed grain, and seed grain and exported somewhat more than that. The exports of meat and, above all, of cheeses (a triple increase) have been substantial, along with the exports of sugar (increased by a factor of 3.8). The significance of these figures is, of course, weakened by the fact that in 1990 we benefited from substantial (more than \$230 million) food assistance from the EEC and the United States, but nevertheless this new trend, our becoming a net exporter of agricultural products, is becoming explicit.

In addition, another interesting trend has arisen. The share of raw materials and relatively unprocessed goods in Polish exports is declining. This concerns coal, but not only that. In the years to come this shift should become even more evident, along with the changes in the geographical structure of the imports of raw materials. This is particularly evident in the case of crude petroleum and petroleum products. Already in 1990 our purchases of fuel from the USSR have declined significantly. This sudden decline (in 1990 shipments from the USSR were barely 60 percent of their 1989 level) was a forced one. The Soviet partner failed to adhere to the contracts. The fuel shortages could be reduced only by means of hard currency imports. By this year we will pay for all of our crude petroleum imports in dollars.

But while exports grew in an unprecedented manner, during the same time imports have declined. The (preliminary) estimate by the GUS [Main Office of Statistics] is that they declined by altogether 12.2 percent. If we exclude the private sector, this regression is even greater (last year's imports by socialized enterprises are estimated at \$6.7 billion and 6 billion rubles) and reaches 38.5 percent. The curtailment of our imports from countries of first payment zone has been particularly dramatic. Ultimately, the decline reached nearly 40 percent. Hard currency imports by the socialized sector also declined, by 18.8 percent compared with 1989. Only the unprecedented boom in imports by private firms alters this picture somewhat. It has resulted in, ultimately, an increase of 9.5 percent in imports to Poland from the first payment zone in 1990. Had not it been for this, all the indicators on Polish imports would have remained negative.

An Undercut Monopoly

The statistics for the year past clearly indicate that the monopoly of large state enterprises on foreign trade is finally crumbling. To be sure, in 1990 it has not yet been completely broken, but individuals, joint ventures, and privately held companies as well as foundations sold abroad goods worth 6,600,000,000 zlotys, and imported nearly twice as much. As a result, their share in Polish exports was five percent and in imports as much as 17.4 percent. It is estimated that goods imported on the basis of so-called customs declarations, that is, what we often see in small boutiques or street booths, accounted for more than 11 percent of overall Polish imports. As known, in 1990 exports by the private sector have tripled and imports increased by a factor of more than six. This is one of the most important and most optimistic occurrences to have taken place last year in Polish foreign trade. True, too many street vendors and too few businessmen are still participating in that trade, but in that respect, too, the proportions are tangibly changing to the better.

In exploring the root causes of such a sudden collapse in imports—outside the private sector—economists most often point to the high exchange rate of the dollar, the curtailment of manufacturing activity by many firms, and the changed policy of enterprises, which have been minimizing at any price the extent of their inventories (raw materials, semifinished products, actual manufacturing) to avoid having to pay the unusually high interest rates charged on loans contracted for current operating expenses. The exceptional nature of the situation—compared with the years past—now that all this can be bought but little can be sold and the shortage is that of money, not of goods, has cooled the enthusiasm for imports. Part of the consumer goods trade has been taken over by the private sector and the shipments from the CEMA countries fell below the planned targets, so that as a result imports by the socialized firms have declined in half.

A Heap of Rubles and Dollars

One effect of the boom in exports combined with the decline in imports is a positive balance of trade, quite unusual for Polish foreign trade. The GUS estimates that in 1990 the socialized sector earned a foreign trade surplus in the order of \$4.7 billion plus 6.7 billion rubles. In the first case this was a sixfold increase and in the second, an increase of more than twice, compared with the preceding year. Yet, originally, when drafting the 1990 budget and annual plan, experts had envisaged a negative balance of trade amounting to \$800 million! This demonstrates that events in our trade with the world unfolded in a completely unexpected direction. No one had the imagination to foresee what would happen.

The incredibly high surplus of the balance of trade, which is not ground for rejoicing to some experts, has been made possible by an unprecedented thing:

throughout the year the private and official rates of exchange of the dollar have remained not only close but practically unchanged. And yet, early in 1990, few believed that such a rate of exchange of the dollar would last throughout the first quarter of the year.

The stability of that rate of exchange, combined with a soaring inflation reaching 200 percent, caused, of course, toward year end a decline in the profitability of exports and provided a stimulus for greater imports. A comparison of the indicators of domestic sales prices and export prices shows that recently Polish producers have found it more profitable to sell for zlotys than for dollars, let alone for rubles. It is characteristic, however, that last December exports to both payment zones were higher than the yearly averages. This means that the stimuli or counterstimuli provided by exchange rates are not very effective in the presence of a still fairly saturated domestic market. The need for exports in order to survive is still predominant. Sales abroad remain to many the only chance for survival. Given the gradual opening of the Polish market to the world, and the growing competition on that market, only those who succeed in cutting costs can achieve success. The Balcerowicz [plan] cannot be sustained.

One Billion Dollars in Private Imports

That huge surplus of \$4.7 billion in Polish foreign trade recorded when preparing the material balance sheet is in reality smaller by at least \$1 billion. This decrease is due to private importers who, unlike state enterprises, have imported much more than they exported. The balance of payments prepared by the banks is therefore not as imposing as the statistics of the Ministry for Foreign

Economic Relations. Ultimately the surplus definitely exceeds \$3 billion. That still is a heap of money, and it is greatly needed considering the perils still awaiting us in foreign trade. After all, trade with the countries of the former CEMA still remains shattered, we have to pay dollars for everything, the war for Kuwait lies on the horizon, and the elementary reserves ensuing from the institutional changes accomplished in this domain by the last two governments are already being depleted.

The export boom that was reached in 1990 despite the customs obstructions, the chaotic legislation, and the decline in domestic output, apparently cannot be duplicated any longer. In drafting the 1991 budget, experts calculated that already this year Polish exports will reach \$14.5 billion, including \$3.2 billion from exports to countries of the former first payment zone, and they figured imports at \$15.6 billion, with the deficit to be confined to trade with the former CEMA countries.

Given the present destabilization of the economies of our neighbors, the uncertainty as to the unfolding of the domestic situation, and of the situation in the Middle East, it is difficult, however, to view these estimates as quite reliable. They represent forecasts that are yet to be proved or disproved. If things get no worse than forecast, that in itself would be gratifying.

1990 Production, Trade Statistics Detailed

91EP0254B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish No 3, 17 Jan 91 p 1

["The Economy in 1990"]

[Text]

Basic Indicators

Item	1989	1990
	Same period previous year=100	
Population	100.4	100.4
Employed (average in year)	99.0	Approx. 97
Employed in private sector except agriculture	127.6	Approx. 127
Aggregate farm production (fixed prices)	101.5	Approx. 99
Farm production including private sector	101.0	Approx. 98
Farm production including plants	102.7	Approx. 100
Farm production of plants including private sector	101.0	Approx. 99
Farm production including animals	99.9	Approx. 97
Farm production of animals including private sector	101.0	Approx. 97
Industrial production (fixed prices)	99.5	Approx. 77
Industrial production including private sector	122.0	Approx. 108
Construction production (fixed prices)	96.3	Approx. 91
Construction production including private sector	108.9	Approx. 98
Value of transport services (fixed prices)	96.7	Approx. 85

Basic Indicators (Continued)

Item	1989	1990
	Same period previous year=100	
Transport services including private sector	134.2	Approx. 96
Investment outlays (fixed prices)	97.6	Approx. 92
Investments outlays including private sector	102.6	Approx. 97
Indicator of retail prices of consumer goods and services	351.1	684.7
December of given year to December of previous year	739.6	349.3
Retail sales (fixed prices)	97.3	Approx. 87
Retail sales including private sector	161.8	Approx. 4.6 times
Exports (fixed prices)	100.2	Approx. 117
*Exports including private sector	—	Approx. 3 times
Imports (fixed prices)	101.5	Approx. 88
*Imports including private sector	—	Over 6 times

*Sales executed by foreign-capital organizations, commercial companies (except those formed from the transformation of state enterprises), foundations, and individuals.

Material Production

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Sold production in socialized industry in fixed prices (billion zlotys):					
In comparable work time	x	76.1	103.5	x	74.7
In actual work time	670.0	76.1	94.2	8,109.0	75.0
Mining	46.0	75.7	107.7	529.5	75.6
Processing	624.0	76.1	93.4	7,404.2	74.9
Including industry:					
Fuels-energy	99.1	74.2	97.3	1,127.5	78.8
Metallurgical	56.9	83.7	93.4	732.5	80.3
Electromotive	201.0	70.4	103.6	2,283.8	77.2
Chemical	57.3	74.4	90.7	692.5	75.3
Mineral	24.3	79.9	85.4	308.2	75.7
Wood-paper	30.0	82.7	94.2	342.6	76.0
Light	58.6	64.7	80.9	756.7	63.0
Food	129.5	91.0	89.8	1,523.7	74.3
Basic production in socialized construction-assembly enterprises in fixed prices (billion zlotys)					
In comparable work time	x	95.4	111.9	x	82.1
In actual work time	56.5	95.4	97.3	753.3	82.4
Delivered in socialized sector					
Apartments (thousands)	15.8	71.2	242.5	84.6	88.8
Hospitals (beds)	68	x	x	1,007	86.7
Clinics and health services (examining rooms)	45	x	x	695	87.0
Nurseries (places)	150	x	x	1,020	68.9

Material Production (Continued)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Preschools (places)	1,880	x	x	13,351	104.6
Elementary schools (rooms)	194	x	x	1,854	93.7
Freight haulage (million tons)	46.2	70.2	86.2	598.0	59.0
Transloading in seaports (million tons)	4.0	132.7	93.8	44.2	96.2
Increment in telephone subscribers (thousands)	36.3	114.9	153.6	171.5	101.7
Slaughter-animal procurement (thousand tons)	106.6	72.2	81.6	1,694.3	82.7
Pork	63.2	76.4	94.2	919.0	77.1
Beef (including veal)	27.6	70.3	63.9	528.2	93.3
Poultry	14.3	62.5	77.9	211.8	83.6
Milk procurement (million liters)	563.8	78.8	92.2	9,817.3	86.2
Sow breeding (units)	69,755	104.4	103.1	x	x

Foreign Trade (fixed prices)

Item	Dec 1990		Jan-Dec 1990		
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Total export	x	125.5	168.9	x	117.0
Nonconvertible currency payments zone	x	95.3	184.4	x	88.7
Hard currency payments zone	x	156.9	160.4	x	145.2
Total import	x	88.8	148.1	x	87.8
Nonconvertible currency payments zone	x	58.4	140.9	x	64.6
Hard currency payments zone	x	112.9	151.3	x	109.5

Foreign Trade (current prices)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Export (billion zlotys)	19,933	262.0	151.5	136,866	702.7
Nonconvertible currency payments zone	3,451	144.8	183.2	23,469	355.2
Hard currency payments zone	16,482	315.5	146.2	113,397	881.2
Import (billion zlotys)	14,380	273.5	158.5	87,598	589.3
Nonconvertible currency payments zone	1,448	109.0	141.3	13,113	279.8
Hard currency payments zone	12,932	329.1	160.6	74,485	731.8
Balance of payments (billion zlotys)	+ 5,553	236.5	135.9	+ 49,268	1,068.2
Nonconvertible currency payments zone	+ 2,004	190.1	233.3	+ 10,356	538.8
Hard currency payments zone	+ 3,549	274.3	110.0	+ 38,912	1446.5
Nonconvertible currency payments zone (million rubles)					
Export	1,657.4	97.5	182.2	11,676.2	95.6
Import	699.2	67.9	141.5	6,769.7	67.0

Foreign Trade (current prices) (Continued)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Balance of payments	+ 958.2	142.8	230.6	+ 4,906.5	232.4
Hard currency payments zone (million US\$)					
Export	1,728.6	156.7	145.8	12,041.8	141.1
Import	1,335.8	135.0	152.5	8,010.6	103.2
Balance of payments	+ 392.8	344.6	126.9	+ 4,031.2	525.4

Foreign Trade (including socialized sector)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Nonconvertible currency payments zone (million rubles)					
Export	1,637.5	96.3	187.7	10,848.8	88.8
Including the USSR	996.9	105.0	159.7	6,480.8	89.6
Import	671.0	65.2	143.4	6,063.7	60.0
Including the USSR	283.5	54.5	141.4	3,121.7	57.2
Balance of payments	+ 966.5	144.0	238.9	+ 4,785.1	226.7
Including the USSR	+ 713.4	166.1	168.4	+ 3,359.1	189.2
Hard currency payments zone (million US\$)					
Export	1,665.3	151.0	151.8	11,434.1	134.0
Including free foreign exchange	1,366.0	162.4	154.3	9,315.9	140.5
Import	1,080.4	109.2	165.6	6,717.2	86.5
Including free foreign exchange	829.2	105.2	163.8	5,199.7	83.5
Balance of payments	+ 584.9	513.1	131.6	+ 4,716.9	614.7
Including free foreign exchange	+ 536.8	1,012.8	141.6	+ 4,116.2	1,020.6

Domestic Trade (fixed prices)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Commodity retail sales	x	129.5	122.8	x	87.2
Food	x	170.6	131.5	x	103.8
Alcoholic beverages	x	138.4	129.1	x	98.7
Nonfood commodities	x	106.8	115.4	x	76.5

Domestic Trade (current prices)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Commodity retail sales (billion zlotys)	40,991.3	430.2	130.3	265,773.2	577.4
Food	16,957.2	541.4	141.6	101,546.0	700.5
Alcoholic beverages	3,678.0	303.0	132.3	25,835.4	482.2
Nonfood commodities	20,356.1	392.8	121.8	138,391.8	528.8

Domestic Trade (current prices) (Continued)

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1990=100
Commodity reserves in socialized trade (billion zlotys)					
In wholesale	5,236.3	x	102.4	x	x
In retail	12,399.1	x	93.6	x	x

Employment, Wages, Prices

Item	Dec 1990			Jan-Dec 1990	
	Absolute numbers	Dec 1989=100	Nov 1990=100	Absolute numbers	Jan-Dec 1989=100
Average employment in five sections of socialized sector (thousands)	5,580.3	83.2	96.8	6,143.5	89.0
Average monthly wage in five sections of socialized sector, overall (thousand zlotys)	1,482.7	241.8	102.6	1,023.8	474.6
Industry	1,557.5	231.0	98.6	1,092.6	464.0
Mining	2,311.8	226.4	70.0	1,638.5	450.5
Processing	1,430.7	231.2	110.1	1,004.3	467.2
Construction	1,455.9	257.7	106.1	991.3	470.4
Transport	1,317.5	254.1	105.3	959.1	499.5
Communication	1,241.4	227.2	112.9	919.8	546.5
Trade	1,371.0	270.2	118.5	850.7	486.7
Indicator of consumer goods and services retail prices	x	349.3	105.9	x	684.7
Food	x	317.3	107.7	x	674.7
Alcoholic beverages	x	218.9	102.5	x	488.7
Nonfood commodities	x	367.9	105.6	x	691.2
Services	x	535.5	104.1	x	871.3
Indicator of producer prices					
Industry	x	291.5	102.9	x	722.1
Construction	x	258.9	102.5	x	650.5
Indicator of transaction prices					
Export, overall	x	190.2	92.5	x	567.5
Nonconvertible currency payments zone	x	152.1	99.4	x	400.7
Hard currency payments zone	x	201.1	91.1	x	621.9
Import, overall	x	272.8	105.4	x	670.5
Nonconvertible currency payments zone	x	186.6	100.2	x	433.4
Hard currency payments zone	x	291.3	106.2	x	752.6
Terms of trade					
Nonconvertible currency payments zone	x	87.4	99.7	x	105.7
Hard currency payments zone	x	81.0	84.6	x	93.5

ROMANIA

Resolution on Research Institute Financing

91BA0308A Bucharest VIITORUL in Romanian
13 Feb 91 p 3

["Decision on Measures Regarding the Organization and Financing of Research and Development Units"]

[Text] Romania's Government rules:

Article 1—Institutes of scientific research, technical engineering, and design—hereafter referred to as R&D institutes—may be organized and may operate in accordance with the provisions of Law No. 15/1990 as commercial associations, autonomous managements, units without a legal status within other autonomous managements, or as public R&D institutions.

Article 2—Within 60 days of the enactment of the present decision, the Ministry of Education and Science, the Romanian Academy, the other ministries, and interested parties will submit to the government proposals for the legal establishment, organization, and operation of R&D institutes as public institutions.

Article 3—Until such a time as R&D institutes have been organized in accordance with the provisions of Articles 1 and 2 of the present decision, their activities will be based on the regulations in effect.

Article 4—The reorganization of R&D institutions will proceed according to the need to implement the criterion of operational and financial autonomy.

Article 5—(1) R&D expenditures for the 1991 fiscal year will be financed out of a special R&D budget—hereafter referred to as the special budget—made up of funds earmarked for that purpose from the state budget and of funds available to commercial associations and autonomous managements and legally set aside for the purpose.

(2) Revenues for the special budget will be ensured by levying a one percent R&D tax calculated in lei on the industrial production-commodities, construction-assembly production, overall agricultural and silvicultural production, and gross revenues in the sector of transportation and telecommunications.

(3) The special budget constitutes an annex to the state budget and is passed in Parliament.

(4) Out of the lei fund set aside in keeping with point (2), a 0.5 percent quota will be released in hard currency, at the prevailing legal rate of exchange, for the purpose of financing the materials required for R&D activities and acquiring documentary material.

Article 6—(1) The funds earmarked for the purpose in the state budget and the special budget will serve to finance basic research, multidisciplinary and intersector research, environmental research, and research in the

areas of national defense, agriculture, energy conservation, subsidizing scientific-technical literature and written culture, other topics of major interest, and design research and activities such as studies, feasibility reports, projects, and expertise drafting on technical and economic documentation planned to be acquired from abroad and used for the implementation of programs of development and retooling of branches and sectors of the national economy.

(2) The funds legally set aside by commercial associations and autonomous managements and available to them will be used to implement development and retooling programs, achieve new products and technologies, provide environmental protection and labor safety, etc., according to their own decisions.

Article 7—(1) The R&D programs listed under Article 6 point (1) will be drafted by:

—The Romanian Academy, for basic and advanced scientific research carried out in its own institutes;

—The Department of Science, for national interdisciplinary and intersector programs and for research programs carried out in institutes of higher education and in its own units;

—Ministries and departments, for R&D and retooling programs in the branches and sectors of which they are in charge.

(2) The bodies listed under point (1) are obligated to form teams of experts and within 30 days to draft R&D programs after extensive consultations with expert economic factors, R&D units, and institutes of higher education and after assessing and agreeing with the latter on the targets and stages of the research, the financial and human resources required, aspects concerning the implementation and dissemination of the results of the research, and other issues of national interest.

(3) Within 30 days the Ministry of Culture will submit proposals on subsidizing scientific-technical literature and written culture, and on methods of management of the funds allocated.

Article 8—(1) The government will provide overall national correlation of R&D activities and will approve programs on the basis of proposals and recommendations made by the Consultative R&D Collegium [CRDC] established for the purpose.

(2) The CRDC will be made up of reputable scientists, researchers, designers, and experts proposed by the Romanian Academy, the Ministry of Education and Science, the Academy of Agricultural and Silvicultural Sciences, the Academy of Medical Science, and ministries.

(3) The composition and bylaws of the consultative collegium will be approved by the government within 10 days of the enactment of the present decision.

Article 9—(1) The CRDC will submit recommendations to the government concerning:

—National R&D policy;

—The volume of funds required to ensure financing from the state and special budgets;

—The distribution and purposes of the hard currency amounts established as per Article 5 point (4).

(2) The CRDC will periodically make a general evaluation of the research results obtained and of the management of the funds allocated for R&D, and will submit quarterly reports to the government on its findings.

Article 10—The R&D institutes will carry out their activities on the basis of contracts with the end users of the projects or with program coordinators, and of projects approved in the conditions of the present law.

Article 11—(1) The cash funds envisaged for R&D activities will be made available to the units in question only on the basis of the contracts they have concluded.

(2) In the case of basic or advanced research programs, the funds will be released with the approval of the Romanian Academy, the Ministry of Education and Science, the Academy of Medical Science, and the Academy of Agricultural and Silvicultural Sciences, as the case may be, and on the basis of approved work schedules or firm contracts.

Article 12—The R&D institutes are authorized to directly enter into R&D contracts in their purview with legal bodies or individuals abroad.

Article 13—Fifty percent of net hard currency revenues will remain at the disposal of the R&D institutes; 25 percent will be granted in the form of subsidies for developing material resources and information and documentation activities; and the remaining 25 percent will be paid into the state budget, while the institutes will receive the equivalent in lei at the prevailing official exchange rate.

Article 14—(1) Economic factors are advised to ensure the participation of R&D institutes in negotiations designed to draw foreign capital with a view to involving them as partners in transactions aimed at attaining investment and retooling objectives.

(2) Upon the request of interested parties, RC institutes may provide feasibility and expertise studies for bids and contracts.

Article 15—R&D contracts that are currently in the process of being carried out and are financed by industrial centrals slated to be dismantled will be taken over by the economic factors who are the customers. The contracts taken over will be financed out of the funds earmarked as per the present decision upon the proposal of the respective ministries.

Article 16—Within 15 days of the enactment of the present law, the Finance Ministry will draft instructions on forming and releasing funds out of the budget for financing R&D activities.

Bucharest, 8 December 1990 No. 1284
Prime Minister Petre Roman

POLAND

Effects of Pollution on Children in Upper Silesia

91WN0225Z Warsaw GAZETA WYBORCZA in Polish
18 Jan 91 p 8

[Article by Grzegorz Gorny, reporter cooperating with GAZETA WYBORCZA: "The Children of Chorzow and Municipal Grounds Maintenance"]

[Text] The Austrian weekly PROFIL published an article on ecology and photographs of infants. I have seen such pictures in the Polish press only in reports from the Third World in incidents involving napalm or cholera epidemics. The title of the article: "Children of Chorzow."

I went to the children's hospital in Chorzow. I passed through one small ward of 20 m² containing six small beds. "Don't worry," I was told by the ward head when she saw my face. "Medical students pass out here so frequently that it is necessary to interrupt classes every five minutes, carry them outside, and revive them."

Doctor Anna Kasznica-Kocot says that 55 percent of the infants require medical treatment after birth. One out of five has rickets, one out of five—anemia; apart from this, the children suffer from leukemia, hypoxia, pneumonia, and bronchitis. Frequently [they suffer from] several diseases concurrently.

The placentas of all pregnant women in Upper Silesia are receptacles for the accumulation of zinc, nickel, bromine, mercury, lead, and strontium. Twenty percent of the women give birth prematurely; one out of five newborns does not even weigh a kilo and a half; chickens sold near the hospital weigh more.

Nine out of 10 women who smoke give birth prematurely. One out of three mothers who smoke gives birth to infants with a so-called dystrophy syndrome, i.e., heart and respiratory defects, intracranial bleeding, and intrauterine infections.

In Sweden, five infants die for every 1,000 born. However, in one of the districts of Bytom-Rozbark, 52 die.

Krzys is in Dr. Kasznica-Kocot's ward. He is three months old and has a blood infection, sepsis, anemia, and pneumonia. He has had eight blood transfusions. His mother did not want to donate her blood to him. When notified that she was needed, she ran away from home. Rubber tubes used for administering injections protrude from his head and that of the other children lying here.

Many of the children do not have hair because they came to the hospital infected with lice and it was necessary to shave them. However, a little girl by the window is bald for other reasons. She tears out her hair and eats it. She has a serious neurosis, is two years old and weighs two kilos—just as much as her seven-month old brother. The parents do not want her or him.

Dr. Bujok is in charge of the adjacent ward with more seriously ill children. A child considered to be "less seriously ill" in the hospital in Chorzow, is the kind that has hypoxia, anemia, pneumonia, or bronchitis. Just as previously, Dr. Kasznica-Kocot repeated every few minutes, pointing with her finger either to the right or left: "This one will go to the orphanage, this one to the orphanage...." So now, Dr. Bujok's finger points to some small beds, one by one: "This one will die, so will this one, and this one...."

The ward has six beds. The doctor feels that if even one child makes it, this will be an accomplishment.

A boy with hydrocephalus is in the bed near the door. His skull, the size of his entire body, is covered with red swollen sores with black scabs. The child has a valve mounted in his head which regulates the level of cerebral fluid. However, a purulent brain infection has developed. "He will die during the night," comments the doctor.

The same thing is in store for the next child. He has rachischisis [separation of the spine]. Dr. Bujok uncovers the sheets. The spinal cord, totally uncovered and unprotected, separated from the rest of the body, is lying on the child's back like an empty, pinkish-purple sac. The doctor points with his finger to where the pus has reached—soon it will reach the brain.

The odor of decomposing flesh—flesh decomposing during life hovers over the ward.

A 10-year old boy is dying in the ward with older children. He has a temperature of 40 ° C. "It's only a matter of minutes," informs the nurse. The child's huge head contrasts with his terribly gaunt and oddly twisted limbs. All the bones are visible and the boy looks like a skeleton with skin stretched over it under which one can see a long, swollen vein running in a zigzag. The doctor touches it lightly and it writhes like a snake under a rug.

Doctor Bujok appears cynical and somewhat nonchalant but this is only a facade. If he were to expose his feelings, he would simply go mad. He cannot hide his emotions when we enter the operating room. He shows me a small, unpretentious-looking device lying on a scraped, white stool.

"This respirator is of Dutch production; it is 11 years old and can break down any minute. This is the only device capable of keeping a child alive during an operation. There is only one respirator. Yesterday, two children needed it. I had to choose between the life of one or the other."

"The worst part," concludes Dr Bujok, "is that both children died."

Similar situations are not uncommon in this hospital. There is only one oxygen tent for neonatals that is taped up and is falling apart from age.

Money for the health service is lacking. It was not until last year that a life support ambulance for children came on the scene in Katowice Voivodship. It is in this ambulance that the most seriously ill children are taken to Zabrze. "Because," explains Dr. Kasznia-Kocot, "the most serious cases are not hospitalized in Chorzow. These are brought to the Neonatal Pathological Clinic in Zabrze."

Last year, Zabrze was recognized as the most polluted city in the world.

Upon leaving the hospital, I see a Nyska [type of car] belonging to the Municipal Grounds Maintenance drive up to the hospital courtyard. In five minutes, it will leave this place carrying off the next bodies. Three people—eight kilos.

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